

# FINANCIAL TIMES

No. 27,378 Saturday October 8 1977 \*\*\*12p

**PIMS**  
for the latest reports phone  
Richard Bagge, Dorking (0306 86441)  
(Weekend and evening Answerphone)  
exclusive to Schlesingers

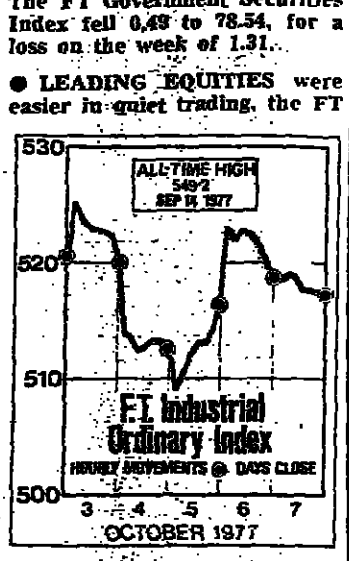
**REVE & SON**  
CHARTERED SURVEYORS  
PROPERTY VALUATIONS  
LONDON • BEDFORD • BRISTOL • HITCHIN  
LUTON • AMPHILL

## NEWS SUMMARY

**GENERAL**  
**Ulster prison warden killed**  
The chairman of Northern Ireland's Prison Officers' Association was shot dead in Belfast—the 100th victim of Ulster's terrorism to die this year.

Mr. Desmond Irvine died in a hail of bullets as he drove his Morris Marina from a meeting at Wellington Park. As it passed through the main gates, a car pulled up in front and a gunman pumped several bullets into him. Mr. Irvine was hit in the head and died a few minutes after reaching hospital.

Two women were injured when a bomb exploded outside the Royal Victoria Hospital on Belfast's Falls Road.



**BUSINESS**  
**Gilts lose ground; sterling weaker**

● GILTS lost ground, with losses to £1 in long-dated stocks. The FT Government Securities Index fell 0.49 to 78.54, for a loss on the week of 1.31.

● LEADING EQUITIES were easier in quiet trading. The FT 100 fell 1.5 to 321.25, for a loss on the week of 1.31.

● STERLING slipped 9 points to \$1.7588 and its trade-weighted index edged down to 62.3 (62.4). Dollar's trade-weighted depreciation widened to 1.31 (1.29) per cent.

● GOLD fell 25c to \$154.125.

● WALL STREET was down 2.94 at 839.34 near the close.

● U.S. MONEY SUPPLY: M1 \$329.4bn. (838.0bn.); M2 \$792.6bn. (\$793.2bn.); commercial and industrial loans at major banks, up \$233m. (down \$191m.); fed. funds 6.17 (6.35) per cent.; 90-110-day dealer placed commercial paper 6.31 (6.27) per cent.

● FRENCH economy is likely to improve from now on, with industrial production rising 2 per cent and inflation slowing to 7 per cent in the year to next summer, according to a statistics institute forecast. Page 10.

● WELSH hopes of boosting business and jobs have received a setback, with the decision of Rediffon Telecommunications to close its new factory at Cwmbran—which employs 232 workers—because of lagging sales. Page 12.

● FORD and U.S. Government authorities have agreed to finance research into the commercial feasibility of using the Stirling engine in cars. The engine is said to offer at least a 30 per cent fuel saving and lower exhaust emissions. Page 12.

● SWAN HUNTER has won a £5m. order to build a ship to carry spent nuclear fuel from Japan for reprocessing in France. Page 12.

● SUGAR conference delegates in Geneva have agreed on final details of a new international sugar pact, aimed at keeping supplies off the market and strengthening prices. The five-year agreement is due to operate from the beginning of next year. Page 12.

**Clay Cross blow**  
The Labour Party Conference, against the advice of the National Executive Committee, passed a resolution deploring the disqualification of 23 Clay Cross Labour councillors from public office and demanding that the government introduce a Bill to end the ban at once. Back and Page 13.

**Amnesty move**  
Spain's ruling Union of the Democratic Centre has reached agreement with the Opposition parties on a broad amnesty Bill for the Basque country. Back Page 13.

**Shutters go up**  
Clashes between the National Front and the Socialist Workers' Party are feared by Manchester to-day, and police reinforcements have been drafted in. The Front may hold a rally in Stockport after being refused permission to march in the Tameside area. Several Hyde stores have hoarded up their windows in case of damage.

**Divorce boom**  
Last year there were 146,415 divorces, compared with 356,000 marriages, in England and Wales. Sir George Baker, President of the High Court's Family Division, told the Law Society. The new simpler divorce procedure, which began this year, had produced a 23 per cent increase in the 1976 figures.

**TV boy guilty**  
A Miami jury convicted 15-year-old Jimmy Zamora of murder, rejecting a defence claim that watching violence on television had turned him insane.

**Artist at risk**  
Two men charged with stealing a Rembrandt picture and three other works of art from St. Mary's Hospital were repatriated in custody by Clitheroe magistrates. At Rassel, West Germany, four Rembrandt paintings were damaged by acid by an old man who fled from the gallery.

**Briefly**  
Judge John Birnes, who presided over the Watersgate trials, retired.  
Floods in N.W. Italy have claimed six lives. Water, gas and electricity services have been hit.  
Concorde left Heathrow for Bahrain without a single passenger. British Airways said that the flight, which cost £11,000, was useful for training.  
Canadian Government will not veto a Quebec law to make French the province's only official language. Page 10.  
Knee-length drawers worn by Queen Victoria fetched £160 at Bonham's. Auctioneers, Page 8.  
Uganda has summoned all expatriates to play basketball with President Amin on a Lake Victoria island to-day.  
Crystal Palace footballers Rachid Barkok and Barry Silken were each recommended on £4,000 bail at Highbury Court, London, charged with possessing \$25,000 in forged notes.

**Textile talks may be put off**

● TEXTILE talks between the EEC and the main supplying countries—due to start next week—may be delayed because Britain claims the EEC has not prepared its negotiating position adequately. Back Page 12.

● LEYLAND CARs will be the Confederation of Shipbuilding and Engineering Unions to agree to keep pay increases within the 10 per cent guidelines as part of a revised package of bargaining reforms which the unions will consider next week.

● In its revised proposals the company is prepared to wait until 1979 for the introduction of company-wide bargaining. Leyland hopes that the confederation contract with Poland will consider the plan on Thursday, will agree to recommend the revised package to a meeting of senior shop stewards in London on October 15.

**COMPANIES**

● RHM has bought a U.S. pasta making company, Ravenna and Eyesch, for £12.5m in cash. Back Page 8.

● S. PEARSON AND SON made pre-tax profit of £19.02m (£14.57m.) in the first six months of 1977. Page 16.

● NEWMAN INDUSTRIES boosted pretax profit by 178 per cent to £1.42m. in the first half. It proposes a one-for-three rights issue at 47p to raise £1.93m. Page 16.

**CHIEF PRICE CHANGES YESTERDAY**

(Prices in pence unless otherwise indicated)

Alcohol Lic. Props.	202 + 7
Bank of England	364 + 9
Bank of Ireland	117 + 8
Bank of Scotland	115 + 8
Daily Mail	230 + 10
De La Rue	628 + 16
Electricity	150 + 9
Electricity	370 + 12
Electricity	285 + 10
Electricity	164 + 8
Electricity	117 + 10
Electricity	233 + 8
Electricity	225 + 7
Electricity	135 + 6
Electricity	74 + 15
Electricity	88 + 4
Electricity	230 + 16
Electricity	90 + 8

## U.S. steel report clears Japan of blame for problems

BY STEWART FLEMING: NEW YORK, October 7

The severe problems of the U.S. steel industry are primarily due to its own structural weakness rather than competition from Japanese imports, according to a study by the Carter Administration's Council on Wage and Price Stability.

The report, which will be made available to the public in the next few days, says that the U.S. steel industry would derive little benefit from such controls unless steel prices were allowed to rise significantly.

It stresses the superior efficiency of the Japanese steel industry but suggests that European steel makers are at a sharp competitive disadvantage in the U.S. market.

This finding will reinforce the widespread belief among U.S. steel industry executives that the worst offenders against U.S. anti-dumping laws are the European steel makers.

Top administration officials, industry and labour representatives and leading Congressmen who are fighting for import controls on steel are due to meet next week.

The meetings—which President Carter will probably attend—might take on a different complexion because the Wage and Price Council report will put greater pressure on the industry to justify its record.

The report suggests that the U.S. steel industry through the construction of new integrated plants would not provide a simple solution to the industry's competitive position.

The report suggests that at current prices Greenfield Mills do not appear to be economical in the U.S. Because of high construction costs in the U.S. compared with Japan the U.S. cost disadvantage with Japan could not be substantially reduced by a shift to Greenfield Mills.

Japanese steel makers are in a more competitive position vis-à-vis the U.S. than steel industry executives have allowed, the report argues. Japanese steel makers could export profitably to the U.S. absorb the transport that while the Japanese are cost and existing U.S. duties, highly efficient competitors.

It points out that steel profits are substantially below those for other manufacturing. But the report reinforces the U.S. steel industry's view that the Japanese are not making in their home market by more than 5 per cent.

The steel industry has argued that because of the high transport costs Japanese steel makers age in the U.S. market.

## Jenkins plea for economic unity

By Guy de Jonquieres, Common Market Correspondent

BRUSSELS, Oct. 7.

THE security of Western Europe and ultimately the future of the Atlantic Alliance could be imperilled unless the EEC stepped up its efforts to achieve closer economic integration, Mr. Roy Jenkins, president of the EEC Commission, has warned.

At a dinner in Brussels last night, he also emphasised that the Community must progress towards a political union if it was to cope with the problems posed by its further enlargement and avoid disappointing the newly democratic Mediterranean countries which have applied for EEC membership.

These are Mr. Jenkins' first public comments since the start of the Labour Party conference, and clearly intended to take issue with the objectives of a more loosely knit community set out by Mr. James Callaghan in his recent statement on British policy towards the EEC.

Mr. Jenkins welcomed the Labour Party's decision not to press for British withdrawal from the EEC. This had "effectively removed any real possibility of disintegration from that quarter" and should result in a more consistent British EEC policy.

Mr. Jenkins emphasised his belief that Europe's economic success and its security were closely linked. "That is why if we fail internally, to re-launch our economic cohesion and advance, it will endanger our external security."

"If the Community were ever to fall apart and the national states were to go their separate ways, our capacity as Europeans to contribute to the common defence would be gravely endangered. The Atlantic Alliance came before the Community, but I doubt very much whether it could survive a disintegration of the Community."

One of the first blows in the Commission's campaign, to revive plans for a monetary union was struck to-day by Mr. Christopher Tugendhat, the British Commissioner in charge of the budget.

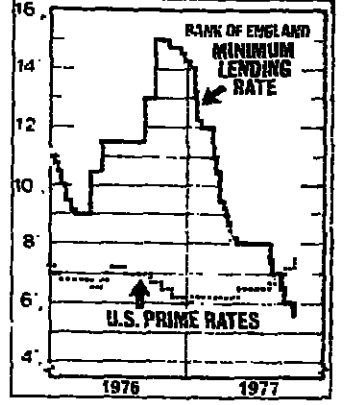
He said that the view in many national capitals was that monetary union remained only a distant possibility. But the Commission was trying to provoke serious examination of the alternative thesis, that if a common currency were introduced soon it could help solve many of the EEC's economic problems such as inflation and unemployment.

## 7½% prime rates spread across U.S.

BY STEWART FLEMING NEW YORK, Oct. 7.

AMID MOUNTING controversy about the strength of the U.S. economy and the monetary policy of the Federal Reserve Board, a further rise in commercial bank prime rates—from 7½ to 7½ per cent—spread across the banking industry this morning.

In London, however, interest rates continued to fall with the Bank of England's minimum lending rate coming down by the expected 1 per cent, to 5½ per cent, on the exact anniversary of last year's emergency increase to the peak of 15 per cent.



**Formula**

The latest increase in the U.S. rate, the third since the end of August, was sparked off by the largest New York bank, Citibank.

The bank adjusts its prime rate—the rate it charges on loans—to its best customers—according to a formula. Within hours, however, most other major banks in New York and Chicago, as well as in other cities, had followed the Citibank lead.

The rise had been expected after recent increases in short-term money market interest rates and the decision by Wells Fargo Bank, the 13th largest U.S. bank, to raise its prime rate earlier this week.

Nevertheless, the Citibank move could assume political significance in the light of recent statements by members of the Carter Administration which question what they see as the Fed's tightening monetary policy when there are fears of a slow down in America's rate of economic growth.

Some bank economists perceive a revival of the clash earlier this year between President Jimmy Carter and Dr. Arthur Burns, the Fed chairman, over the direction of the economy.

These perceptions will be reinforced by early indications this morning of renewed Federal Reserve intervention in the federal funds money market which dealers are interpreting as continuing the upward pressure on the big U.S. interest rates.

The Fed, some dealers suggest, is now aiming at a federal funds rate of 6½ per cent, slightly above the level previously taken to be its target.

Evidence of the divergence in views between the Fed and the Administration about the progress of the economy came to-day in remarks by Mr. Michael Blumenthal, Secretary of the Treasury.

They follow similar remarks by Mr. Charles Schultz, chairman of the President's council of economic advisers.

Earlier in the week, Mr. Blumenthal repeated suggestions that the chances of cutting taxes to stimulate the economy early

next year are growing.

Wall Street economists remain critical of the Fed's monetary policy which, they argue, has been too slack. They point out that the money supply has continued to grow at a rate well above the Board's target throughout the year, and this is stirring up inflationary pressure for next year.

Remarks by Mr. Jody Powell, President Carter's Press Secretary, were being interpreted to-day as a further indication that the Administration may be preparing the way politically for a fiscal stimulus.

## Pressure

Michael Blenden writes: The cut in the Bank of England's minimum lending rate will bring renewed pressure on the big U.S. clearing banks to reduce their own lending rates.

They are expected to consider their response early next week, though the general feeling yesterday was that they would find it difficult to avoid making some move after the substantial further fall in the level of short-term interest rates since they last changed their loan rates.

Any move could bring a cut in the banks' base rate by either 1 per cent, or a full 1 per cent, from the present 7 per cent.

With rates at the present level, implying a cost of 8 per cent, for overdrafts to top-quality corporate customers, the U.K. banks have already been exposed to active competition from the U.S. banks operating in London.

Against this, U.K. banks are still showing some reluctance to move because of their dilemma over deposit rates. They have been seen a steady trickle of funds to other outlets such as the building societies and the competition for deposits was underlined this week by Abbey National's decision not to make the recommended drop in its rate to investors.

Continued on Back Page

## Scanlon hint that Leyland men should toe pay line

BY ALAN PIKE, LABOUR CORRESPONDENT

A STRONG suggestion that national union leaders will encourage British Leyland workers to settle wage claims within the Government's 10 per cent guidelines was given yesterday by Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers.

Mr. Scanlon, speaking at a London conference referred to British Leyland's announcement on Thursday night that it intends to offer 10 per cent increases in gross earnings as plant agreements expire. He said: "We have to consider where we go from that offer until there is no British Leyland to negotiate with because the Government will not inject any further money, or a flight to the death in the belief that the Government does not mean what it says."

Leyland Cars wants the Confederation of Shipbuilding and Engineering Unions to agree to keep pay increases within the 10 per cent guidelines as part of a revised package of bargaining reforms which the unions will consider next week.

In its revised proposals the company is prepared to wait until 1979 for the introduction of company-wide bargaining. Leyland hopes that the confederation contract with Poland will consider the plan on Thursday, will agree to recommend the revised package to a meeting of senior shop stewards in London on October 15.



Mr. Hugh Scanlon: Where do we go on company's offer?

They adopted a resolution which affirmed last month's policy. They added that they would, however, be prepared to discuss the principle of centralised bargaining in 1979 provided full satisfaction was achieved on demands for incentive schemes, full staff status and comparability of wages.

The wording of the TGWU resolution is open to interpretation. It is clear that at least some of the shop stewards present at the meeting believe reference to "in 1979" means that discussions on centralised bargaining, for which the TGWU men have little enthusiasm, will not start until then—while the company's view is that plant-bargaining must disappear by that date.

Leyland is ready to introduce incentive schemes—one of the TGWU's preconditions—but some union leaders on the confederation have expressed doubts about how the transport union's demand for a change to be negotiated at individual plant level would tally with an eventual company-wide pay structure.

These issues will be considered in detail when the confederation executive meets on Thursday. A crucial pointer to progress on industrial relations reform in Leyland Cars will be whether all the unions are able to so to the revised package to a meeting of senior shop stewards with the union's general secretary.

## British Shipbuilders to raise \$67m. on Eurobond market

BY MARY CAMPBELL

BRITISH Shipbuilders is raising \$65m. (£27m.) on the international bond market to provide a third of the financing for its £100m. contract with Poland which is expected to be signed this month. Two-thirds of the financing is expected to be in the form of export credits.

The final maturity of the issue will be 15 years (with a 12½-year average life). An interest rate of 8 per cent is being offered.

There do not appear to be any immediate plans for a Stock Exchange listing but it seems that if a listing is requested it might be arranged within six months after the issue is made.

A key point is that British Shipbuilders is raising the money under its own name and without a British Government guarantee. Whether investors will assume an implicit guarantee is open to question. Historically Eurobond issues by nationalised industries (though not local authorities) have always carried a British Government guarantee.

One Continental banker said yesterday the absence of a guarantee might have added a quarter of a point to the yield British Shipbuilders was having to offer.

There are 17 managers for the issue, of which 10 are British. They are headed by Hambros. Notable absentees are the big three Swiss banks.

An interesting sideline to the issue is that the British clearing

Still the greatest French romantic...ever

## Je Reviens



With Perfume, Parfum de Toilette, Eau de Toilette, Eau de Cologne, Tale, Savon and the new Bath-time luxuries... Je Reviens has the gift for paying you many compliments. Enjoy them all.

From high class stores, selected chemists and the larger branches of Boots.

**WORTH**  
PARIS

For latest Share Index phone 01-246 5026







# Your savings and investments

## Life guardian

BY ERIC SHORT

WHEN TROUBLE comes, these days, the cry goes up: "What is the Government doing about this?" This was certainly the case when Nation Life, London Indemnity and General and a few other life companies ran into trouble in the mid-1970s. And in response the Government brought in the Policyholders Protection Act, 1975, which ensured that in future policyholders would get at least 90 per cent. of the benefits should their life company run into trouble—and made the life insurance industry foot the bill. But prevention is better than cure. The Insurance Companies Act 1974 gave the Department of Trade very great powers in monitoring life assurance companies' operations, to ensure that they were on a sound financial footing, and that corrective action could be taken early should difficulties emerge. Life assurance is a technical business, in which actuaries, who value assets and liabilities, play a dominant role. So the Department of Trade needs high level actuarial advice in order to carry out its responsibilities, and here the Government Actuary has a vital role: in fact he and his staff are leading members of the Department's team.

This week, I talked with Edward Johnston, the present Government Actuary, on his role and that of his staff in the supervision of life assurance. One feature came over very strongly during the interview. The DoT and the Government Actuary do not tell life companies what to do. The responsibility for the company's solvency rests with the directors of life companies, who are advised by their own appointed actuaries. What he does do, however, is to tell life companies when they are starting to go wrong—in particular when he considers that they are making insufficient reserves for the risks being undertaken, and when solvency

could be endangered. For instance, he may consider that the capital backing, either in the form of issued share capital, loan capital or even guarantees, is insufficient for its ambitious ideas for the future as set out in its submitted new business plan. Or he may feel that the company actuary has not given sufficient attention to his valuation of the mismatching of assets with liabilities. The actuary's work involves making decisions based on professional judgment; the Government Actuary's job is to check that such decisions will not jeopardise the ultimate solvency of the life fund.

When such occasions do arise, though, how does he go about putting things right? To put it in a nutshell, by using the actuarial old-boy network to oil the wheels. For Mr. Johnston's profession is still a very small one in terms of the numbers employed in it, and the leading figures in the field, from whom most appointed actuaries are chosen, are all well known to each other and to the Government Actuary. In fact, Edward Johnston firmly believes in informal contacts when it comes to supervision. This ensures that matters are kept confidential between the DoT and the life company concerned. Some consumers reckon that this is the wrong approach, and that they have a right to know when there is the slightest thing wrong with a life company. But publicity at an early stage would most likely be the kiss of death for the company concerned. And for policyholders, at least, it is best if matters are sorted out behind closed doors. The security of the DoT and the Government Actuary's Department is in fact remarkable. Last year the DoT took action of some sort over 50 life companies, but there was never any hint of which



E. A. JOHNSTON

themselves with the thought that the Government Actuary and the Department of Trade have a vested interest in ensuring that no other life company runs into trouble. For if such an event did occur, they would have to produce some very good and convincing explanations as to why it was allowed to happen. The Department's powers are there to be used. At the same time Government Actuary is determined that developments and product innovations are, he says, the responsibility of the life assurance industry and not of the Government—a refreshing attitude from a civil servant.

But this is not Mr. Johnston's only responsibility. He is very much involved in both the State and occupational pensions field, and is concerned with the pension schemes worked out for public servants such as doctors, teachers and so on, as well as advising various Government departments on a host of actuarial matters. In his dealings with life assurance companies he is backed by a team headed by Colin Stewart, director of the life assurance division, David Loades and Charles Cannon.

## Financials for a rise

BY ADRIENNE GLEESON

AT THIS STAGE of the market it is necessary for those who have either been slow in getting off the mark, or speedy enough to have profits to take in the recent lull, to go looking for sectors which have not done too well out of the rise so far when they want a new home for their equity money. And the financial sector is one such.

Not that you'd think so, to go far this year. The financial group as a whole is up by 55.6 per cent, as against a rise of 53.9 per cent in the industrial group, and one of a mere 47.2 per cent in the All-Share Index. And some components of the financial sector have done much better than that: the hire purchase index, for example, is up by 123 per cent, that for composite insurance shares by almost 75.5 per cent, and that for merchant banks by over 66 per cent. However, in bogging down the gains which you might have made so far, it's also necessary to bear in mind the base from which those gains were made. Financial shares normally lead the market up but not this time. Confidence was so badly jolted in the secondary banking crisis of 1973-74 that the sector lagged through the rise; and this year's gains are just narrowing the gap.

However I would, if I were putting my money into the sector, be doing it in a discriminating fashion. I wouldn't clear banks—not until there was more evidence that they were coming to terms somehow with the problem of making profits on branch business at a time of low interest rates. The banks with high overseas interests—Standard and Chartered and Grindlays—appear to be a more attractive proposition: but Standard and Chartered is still looking for the means to swing the balance of its business away from high risk areas like Africa. With Grindlays, most of the excitement must hinge on the possibility of a bid at some point—and in the meantime there's very little for investors in the way of yield. Hong Kong base from which those gains were made. Financial shares normally lead the market up but not this time. Confidence was so badly jolted in the secondary banking crisis of 1973-74 that the sector lagged through the rise; and this year's gains are just narrowing the gap.

The Hong Kong market will pick up in the wake of Wall Street. In the hire purchase business, too, it's a matter of buying on speculation, for the best performing sector in the market this year offers very little to income seekers. Rumours of imminent takeover are, however, rife; and they concern practically every quoted stock in the sector. If I were buying on this possibility I'd be buying UDT, now showing signs of recovery after some years of crisis, for bidders tend to come in when the end of the tunnel is in sight.

However, I'd rather go for a sector which offered me income as well as rationalisation possibilities: and under these circumstances I'd look, instead, to the discount houses. As the results from CIVE, earlier this week, demonstrated, they have been doing extremely well out of falling interest rates; and since it's plain that short-term interest rates are not likely to turn in the near future, and long-term interest rates probably have further to fall, I reckon that they will continue to make hay. This is in some ways the perfect sector for the small investor, since the companies in it are capitalised at levels too low to attract in the big institutional holders. So while profitability can turn very sharply on any sudden change in interest rates, share prices don't tend to move with the volatility that that implies. And in the meantime there are handsome yields to enjoy—well over 8 per cent, in the case of Seecombe Marshall, over 7 per cent, for Alexanders.



And finally for the insurance companies, Composites have had a very good rise this year—200 per cent, perhaps, given that the problems over underwriting

investments in an area at once sufficiently specialised to provide performance, and sufficiently diversified to provide spread—though Arbutnot achieved it with its commodity fund, and Chieftain is hoping to do likewise. So investors, as always, have to make up their minds about their own requirements. Those prepared to job in and out (and capital gains tax concessions make this a relatively painless procedure with unit trusts—assuming of course, that the investment was successful in the first place) may reasonably opt for the speciality trusts: less ambitious investors would do well to leave them be.

## Hunt out those old securities

LADIES AND GENTLEMEN: October 31 approaches, do please, please, I beg of you, go and hunt out all those old foreign securities inherited from uncles, grandmothers and other fervent believers in what were once the far-flung parts of Empire, and get them registered at the Bank of England by an authorised depository. Otherwise you stand to do yourselves out of a fair amount of money.



For on October 31 the patience of the Old Lady of Threadneedle Street will finally run out. She's given plenty of warning of it. For five years now, ever since the sterling area was pruned, she's been providing intermittent absolution for those who came forward to confess that they had broken the law—by keeping stocks and shares from countries now outside the sterling area, Australia, South Africa and the like, instead of depositing them with an authorised depository as foreign exchange regulations prescribe. Absolution was fol-

lowed by a blessing: having declared their interest these (generally unwitting) law-breakers were allowed to take the investment currency surcharge (less the mandatory 25 per cent. surrender) on their sale. And it is this blessing of weeks for the formalities, just in case; and that means that you have to hunt out the papers

known as the dollar premium—it's the amount over the odds you have to pay in order to invest abroad) is currently running at around 30 per cent, throwing away the right to 75 per cent of that on a sale of these securities is going to reduce your proceeds to rather less than 82 per cent of what they would have been had you bestirred yourself, deposited your stocks and had them registered with the Bank of England.

What do you have to do? Find an authorised depository (most solicitors, stockbrokers, banks and the like), take your securities along to him, and ask him to get them registered. Incentive, it isn't enough to assume that if your securities are deposited at the bank they'll automatically qualify: you want to make certain that your bank manager is aware of what you're doing. I'd allow a couple of weeks for the formalities, just in case; and that means that you have to hunt out the papers

**7.63%** An income 50% higher than the ordinary share average, with scope for capital growth.

With inflation continuing at a high level many people are realising that high investment income is not enough. The real need is for high cost, growing income, with a measure of capital appreciation.

Midland Drayton High Yield Unit Trust was created with just this aim, and has proved its popularity by attracting over £2,000,000 in its first seven months.

**High Yield**  
The estimated gross yield on Thursday, 6th October, 1977, was 7.63% p.a. This was over 50% higher than that of the F.T. Actuaries All-Share Index (which at 6th October, 1977 was 5.10% p.a.) and it is the Managers' declared aim that this differential will be maintained.

**Prospects for Growth**  
Over 90% of the fund is invested in U.K. ordinary shares, chosen for their growth prospects as well as for high yield. The rise in the price of units from 50p when they were launched in February to the offer price of 64.7p and on 6th October shows that the scope for growth within market conditions are favourable is very real. You should, however, regard your investment as a long term one. The price of units and the income from them can go down as well as up.

**How to Invest**  
To buy High Yield Units, simply fill in the coupon and return it to us, or hand it in at any branch of Midland Bank, City of London or Northern Bank.

**Application Form**

The Midland Bank Group Unit Trust  
Midland Drayton High Yield Unit Trust  
Silver Street, London EC3R 2EX.  
Reg. Office 171 St. Paul's, London EC4A 3DF.  
For: Mr. J. H. G. G. G. G. G.

I/We enclose cheque payable to you for: (minimum £200)

For investment in Distribution Units   
Accumulation Units  (lock stock)

of Midland Drayton High Yield Unit Trust at the price of \_\_\_\_\_ on the day you receive this order. (For your assistance, the offer price on Thursday 6th October, 1977 was: Distribution Units 64.7p and Accumulation Units 65.2p.)

Surname (Mr., Mrs., Miss) \_\_\_\_\_

For names in full \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Date \_\_\_\_\_

If you are not resident outside the United Kingdom, please tick the appropriate box in the 'Signature' section of this form. (If you are unable to make this declaration, it should be signed and witnessed by a Solicitor, Bank, Stockbroker or Solicitor in the United Kingdom.)

**Signature** \_\_\_\_\_

(In the case of joint applications, all must sign)

Please send me details of your Share Exchange Scheme  Savings Plans  (tick if this applies)

# How to earn £37,500 tax free and £12,500 p.a. income. Without it costing you a penny.

If you are a director or senior executive, you're probably well aware how tax and inflation eat into your salary and savings. But there is a way that you can look forward to a large tax-free cash sum plus a high income when you retire. And it need not cost you a penny, because all the costs can be paid by your company and will qualify for full corporation tax relief. All this can be achieved through a National Provident Institution Capital Pension Plan. Here is an example. A 45 year old director is earning £10,000 p.a. His company takes out an NPI Capital Pension Plan and pays all the contributions. As his salary rises, so can the contributions to ensure his benefits remain in line. Suppose that by the time he reaches 65 he's earning £25,000 p.a. On that basis, he can have a tax-free cash sum of £37,500 plus an annual income of £12,500. What's more, as there is no limit on contributions (only on maximum benefits) the same benefits could have been built up had the director joined the Plan 3 or 4 years before his retirement. Not only is this a way of making good use of company money, it is also an excellent way of remunerating and motivating key people, while still remaining within the Government's present pay guidelines. Whatever the size of your company, if you would like to know more, simply fill in the coupon and post it to NPI so that we can send you complete details of our Capital Pension Plan. Then talk with your insurance broker.

To: Norman Worley, National Provident Institution, 48 Gracechurch Street, London EC3V 0BB. Please send me details of your Capital Pension Plan.

Name \_\_\_\_\_

Address \_\_\_\_\_

FTPH1

**Midland Drayton High Yield Unit Trust**  
A MIDLAND BANK GROUP UNIT TRUST



# Finance and the family/Insurance

## An executor's obligations

BY OUR LEGAL STAFF

I am one of the executors of my father, who died domiciled in Scotland. The lawyer looking after his estate has told me that the final papers are ready for signature. I have signed one or two documents, but otherwise have had nothing to do with the matter. Do I have to sign these papers, including all financial details?

As your late father's executor, not only are you entitled to see all the papers handled by the solicitor dealing with the estate, but you are under an obligation to do so as the responsibility for the administration of the estate is yours in law.

If you are satisfied that the administration has been carried out properly on your behalf, you are entitled to be discharged from the office of executor. Before being discharged you should satisfy yourself that the executor accounts are in order.

**View of sea obscured**  
After all the usual inquiries and searches I recently exchanged contracts for the purchase of a bungalow with a fine view of the sea, which I now find will be obscured by an extension being built by the neighbouring owner. Must I complete?

You would be bound to complete, as the proposed extension to the neighbouring property is not an incumbrance on the title of the property which you are purchasing (so long as there is no likelihood of an infringement of any right of light on "your" property).

**Service charge information**  
As a tenant of a block of six flats, my agreement provides that I reimburse the landlords in respect of one-sixth of maintenance and similar costs. Am I legally entitled to demand copies of the maintenance contractors' receipts in respect of the services carried out and showing the payments

received from the agents? If I do not obtain such could I deduct, say, 10 per cent. from the agents' account, pending their production? Is not the agent precluded from acting as profit-making manager of the property whilst having a wife, and also a mother, as a shareholder lessor?

If you are required to pay more than £50 in any one year for service charge you can require a certified summary of the maintenance costs to be furnished pursuant to Section 90 of the Housing Finance Act 1972, unless your lease makes similar provision: in which case you must follow the procedure stipulated in the lease for obtaining information. The statute does not give you the right to call for invoices and vouchers; but if you are able to challenge the certified accounts under Section 91A, you may be able effectively to procure these. You are not entitled to make the deduction which you suggest, but you could defer payment altogether while challenging the accounts. As these are complex matters you would be wise to consult a solicitor. The agents are not precluded by law from making a profit, but a recent decision of the court has established that "related" managing agents cannot act as independent auditors.

**Undisclosed interest**  
In a reply under undisclosed interest (August 27) you indicate that building societies report direct to tax inspectors amounts of deposit interest paid in cases where very large sums are involved. Could you say how the words "very large sums" should be interpreted?

Section 17 of the Taxes Management Act—extends to "every person carrying on a trade or business who, in the ordinary course of the operations thereof, receives or retains money in such circumstances that interest becomes payable thereon which is paid or credited without deduction of income tax." Where a building society enters into the custom

**Will as trust instrument**  
We are executors of a will which contains a bequest of money to a child, on trust for him until 21. Is a trust deed necessary? If not, we propose to purchase National Savings Certificates, with ourselves as trustees. The will itself is the trust instrument. No further trust deed or other instrument is required. The course you propose to adopt is correct.

**Bond prize for children**  
If I win a large premium bond prize and wish to divide it with my children, will I be liable to tax, and if so, is there any way round the problem?

Capital Transfer Tax would probably be payable. The solution is to make an oral declaration of trust of the premium bonds which you hold before any prize is received.

**Travel**  
No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**any arrangement with the Inland Revenue.** under section 343 of the Income and Corporation Taxes Act, then subsection 3 directs that "income tax shall not be deducted from any dividends or interest payable in that year in respect of shares in or deposits with or loans to that society." It seems clear, therefore, that building society interest payable under the composite-rate arrangement is reportable under section 17, at the request of the Inland Revenue.

Furthermore, as a condition of the composite-rate arrangement, a building society undertakes to furnish "when required by (the Board of Inland Revenue) so to do, such extracts relating to investors, dividends or interest as may from time to time be required for the purpose."

S. 190 of the Road Traffic Act defines "motor vehicle" as a mechanically propelled vehicle intended or adapted for use on roads (and I should add that roads includes pavements—or sidewalks for the sake of further U.S. visitors). S. 193 specified certain mechanically propelled vehicles that are not to be considered as motor vehicles—firstly an implement for cutting

**Will as trust instrument**  
We are executors of a will which contains a bequest of money to a child, on trust for him until 21. Is a trust deed necessary? If not, we propose to purchase National Savings Certificates, with ourselves as trustees. The will itself is the trust instrument. No further trust deed or other instrument is required. The course you propose to adopt is correct.

**Bond prize for children**  
If I win a large premium bond prize and wish to divide it with my children, will I be liable to tax, and if so, is there any way round the problem?

Capital Transfer Tax would probably be payable. The solution is to make an oral declaration of trust of the premium bonds which you hold before any prize is received.

**Travel**  
No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

**grass, controlled by a pedestrian and not capable of being used or adapted for any other purpose and secondly "any other mechanically propelled vehicle controlled by a pedestrian which may be specified by regulations made by the Secretary of State . . ."**

Quite obviously the Secretary of State has not had time to think of making regulations to deal with this phenomenon, but arguably he cannot take steps to exclude powered skateboards: once the rider is aboard, with both feet, he, or she, at once ceases to be a pedestrian.

There is an old legal maxim "de minimis, non curat lex"—the law does not bother about trifles: and it may be that the Ministry of Transport, the Home Office and the police will not worry about powered skateboards—yet. Having regard to the speed at which the non-powered variety has already caught on, I think they ignore the problem at their peril.

**Taxation**  
AS A CONCEPT, mutual trading appears to be simply itself. You cannot make a profit out of yourself, so the results of mutual operations are not taxable—an entirely desirable idea as well as a simple one.

Unfortunately practice is more complex than theory. The Inland Revenue itself can be said to have come spectacularly unstuck. A section designed by it to clarify the tax law on this subject was heavily criticised by no less a judge than Lord Macmillan who found it ill-conceived and ineffective. That was in 1948: the offending section is still with us, not just unamended, but having been re-enacted in both the 1962 and the 1970 consolidation acts in its original form.

To understand what is at issue, one needs to analyse very carefully the meaning of the phrase mutual trading. If a class of people provide themselves with goods or services by contributing to a common fund, and if by overcharging themselves they create a surplus, it would be an unnatural use of

**Mutual trading**  
the English language to describe that surplus as a profit. The Revenue will, however, do just that, and will tax it, unless the arrangements meet two further requirements.

First, all the contributors must be entitled to participate in the surplus, and no-one else may be so entitled. The manner in which they participate need not be based exclusively on their contributions, but the second requirement is relevant here. The surplus is no more than a part of the common fund. Everyone has contributed to that common fund, and it must remain everyone's joint property.

Any arrangement which moves the ownership of the funds, or of the assets for the funds, or of representing them, to a separate entity will prevent the activities from being mutual. A potential return of the surplus to contributors does not qualify if it can only be effected as a dividend on shares for which they have subscribed.

The most straightforward example of mutual trading is a members' club. The membership own the premises in common. They contribute to running expenses, and many, if not all, will spend money on liquid and solid refreshment. The bar and restaurant surpluses belong to the members, and are returned in the form of subscriptions lower than would otherwise be needed. Such surpluses are not taxable.

The club will pay tax on any investment income it receives, because that is not derived from mutual trading. It may also pay tax on income it derives from allowing non-members to use the facilities—green fees charged to visitors by a golf club, for example. Charges to individuals who are not part of the membership cannot be mutual—and they will be trading income and taxable unless the club can claim that this activity is purely casual and falls short of trading.

Members of clubs sometimes resign or die, and new members are elected. Changes in the individuals constituting the

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

## Skating the rules

BY JOHN PHILIP

often these days radio controlled. On this kind of writing liability for accidents arising out of the use of models is not covered "any more" than is liability for arising out of the use of their full sized counterparts.

Let us turn from the liability aspect of compensation and have a look at the direct protection given to policyholders under personal accident and disablement policies, which pay a fixed weekly benefit.

In much the same way as does the liability section of the household policy, the modern personal accident policy provides cover, subject to stated exclusions. When you arrange cover you should look down the list of exclusions, see how they affect you in your business or leisure activities, and then if need be ask insurers to let you "buy back" the relevant exclusions for extra premium.

Injury from all or any of the following may be excluded from the basic least expensive policy—boxing, wrestling, unarmed combat, football other than as an amateur, mountaineering, rock or cliff climbing, potholing, steepclimbing, polo playing, water skiing, racing other than adults as well as children, on foot, parachuting, the use of certain kinds of woodworking machinery, even motor-cycling.

Membership of that membership's common ownership of the club's assets and funds.

Membership is not, however, always synonymous with mutual trading. It is here that we need to be precise and assiduous in our analysis, and it is here that the Revenue tripped. The cases which have come before the courts on questions of mutual trading have largely concerned mutual insurance, and trade protection activities, which can be regarded as a specialist form of such insurance.

Companies which belong to a trade protection association would claim as tax deductible their subscriptions to the association, so that Revenue thought it reasonable to try to tax any surplus the association might make. Section 345 of the Taxes Act 1970 says that a mutual insurance company which trades with its members and makes a surplus by so doing should pay tax on that surplus in the same way as it would pay on insurance written for non-members.

Lord Macmillan pointed out that the hypothesis underlying the section was that a mutual insurance contract entered into with a non-member would give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

this morning, I would give this advice—don't buy little Willie ball through a neighbour's greenhouse, or knock over and injures a passer by when roller skating down the high street. If the powered skateboard is a motor vehicle, then the user must have the requisite statutory third party injury liability cover provided by a motor insurance policy and certificate of insurance before giving it a run on the road—and quite clearly this is the kind of contraption that few insurers would wish to cover.

Most home contents insurance policies nowadays include a fair measure of liability cover not only in and around the home, but, so to speak, in the world at large, not only for the policyholder, but also for members of his family permanently residing: wordings vary and some policies provide wider cover than others.

This personal liability cover is wide enough to cover a whole range of adult and juvenile leisure activities, so that for

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

members' club. The membership own the premises in common. They contribute to running expenses, and many, if not all, will spend money on liquid and solid refreshment. The bar and restaurant surpluses belong to the members, and are returned in the form of subscriptions lower than would otherwise be needed. Such surpluses are not taxable.

The club will pay tax on any investment income it receives, because that is not derived from mutual trading. It may also pay tax on income it derives from allowing non-members to use the facilities—green fees charged to visitors by a golf club, for example. Charges to individuals who are not part of the membership cannot be mutual—and they will be trading income and taxable unless the club can claim that this activity is purely casual and falls short of trading.

Members of clubs sometimes resign or die, and new members are elected. Changes in the individuals constituting the

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.

Prices this year, for all the guarantees, look a bit alarming. One week in a medium standard resort using a reasonable hotel at a time of year when the snow is likely to be good will not give

**Travel**  
The joy of skiing is that there is more to do than just sit around on the beach all day, which is the major drawback about summer holidays.







# Property

## Steady as she goes

BY JOE RENNISON

CONFIRMATION again this week that the property market is picking up but—thank Heavens—not running away with itself. The latest survey by the Incorporated Society of Valuers and Auctioneers—a survey that tends always to be more sober, steadfast and demure than the rest—points to a reawakening but no return to the boom situation.

The ISVA's basic reasoning is that no dramatic increases in house prices are anticipated if the Government and building societies manage to control the "bricks and mortar" money supply. Despite talk of house price "spirals" and a domestic property "boom," most estate agents the Society claims are confident that the market is unlikely to take off in reaction to the changing economic conditions.

But there is no doubt that confidence has returned to the domestic property market. Prices are rising and seem likely to catch up with, and keep abreast of, inflation. This will be a reversal of the situation for the last three years—if the predictions are accurate.

The survey returns, completed by member agents from all parts of the country, show that the number of houses on the market at the end of August was just over 9 per cent. less than on May 31. This significant drop—almost identical to that recorded at the end of the previous three month survey period—is, in some part, accounted for because of potential sellers "chasing fire" in expectation of steep price rises in the near future.

But few agents go along with the optimism of these homeowners. Steady rather than spectacular increases can be expected, according to the survey results.

As in previous surveys, the housing market was broken down into four different categories for study: (a) Terraced and semi-detached houses up to £12,500. (b) Semi-detached, detached and town houses/bungalows from £12,500 to £20,000. (c) Detached and town houses/bungalows from £20,000 to £35,000. (d) Individually styled residences over £35,000.

Once again, in each category, there has been an increase in prices during the quarter. Despite an undeniably more buoyant financial climate in recent months, however, the increases have remained well "within reasonable bounds" and are close to rises recorded earlier in the year.

In the lowest price range, category (a), the average increase was 3.1 per cent. and, in the £12,500 to £20,000 category, prices jumped slightly higher at 3.4 per cent. Following the pattern set earlier in the year, prices in the higher price range—categories (c) and (d) increased by 2.5 per cent. and 1.9 per cent., respectively.

In response to the question "Are house prices now increasing generally?", more than 80 per cent. gave an unequivocal "Yes" in reply. Certain areas

gave replies which were contrary to the national trend, however. In regions where there is high unemployment, for instance, the general despondency is reflected in house prices.

As to the finding of the majority, that prices were generally increasing, the rate of rise recorded varied from "minimal" to 15 or even 20 per cent.

Mortgages appear to be plentiful although there are still a significant number of agents who say that finance is less easy to come by. In percentage terms, more than 80 per cent. expressed the opinion that mortgages were "readily available" 8 per cent. said the availability was "reasonable," and a further 8 per cent. said "mortgages were not readily available."

Agents were also asked to predict how the housing market would "perform" during the forthcoming year—to speculate as to prices.

Predictably, following a period of great uncertainty forecasts are punctuated with "ifs and buts." Many answers express reservations about the Government's ability to control wages (and therefore purchasing power). The overwhelming consensus of opinion is that prices of houses will continue to rise but few see the signs of another 1973 spiral.

The general view is echoed by an estate agent in Witney, Oxon, who warns: "I see a steady increase in prices, perhaps by 1 per cent. per month, and possibly more as mortgages become easier to obtain." But he adds: "The market has shown signs of 1972 recently and it could escalate at any time."

And there are other influences on the market. An agent in Wallasey says that the number of council house tenants who are buying private houses rather than paying increasing rents is on the increase.

Another agent in the Home Counties says an acute shortage of secondhand houses, coupled with a lack of new developments, is "accelerating price increases." From Wolver-

hampton, another says: "There has recently been an increase in the rate of sales of all types of properties. There is definitely going to be a shortage of new houses which, with the lowering of interest rates, will make purchasing any property more attractive. The low stock of new houses will induce a fairly rapid rise in selling prices as competition becomes greater for both new and secondhand homes."

"The effect could be on a par with the boom years of the early 1970s and the only limiting factor may be the amount of mortgage funds available." In another part of the country, in Crewe, an agent blames the non-availability of local authority mortgage funds for "total stagnation" at the bottom end of the market.

He adds: "The building societies have failed completely to fill the vacuum left by the withdrawal of local authority funds and the increasingly pernickety grant requirements are also causing stagnation at this end of the market."

An agent in Bournemouth believes that continuing demand will lead to increased prices if a mortgage famine is not experienced. He poses the question: "It will be interesting to see whether the Government interferes with the housing market if the predicted boom materialises. The building societies may well be the victims of Whitehall interference in an attempt to avoid a repetition of the 1971/1972 boom."

Commenting on the findings of the survey Michael Rains, Chairman of the Estate Agency Committee, said: "All this represents a good economic forecast for those engaged in the secondhand residential market. The consistency and basic stability which is reflected in 3 or 4 consecutive I.S.V.A. Reports, seems due to financial strategy shared by Government and Building Societies. If the Government loses control of incomes in the face of a plentiful money supply conditions are ripe for a price explosion. It is to be hoped that the Government will keep its grip."



Scullgate Oast House is about two miles from the centre of the village of Benenden with church, village green and local shops. Benenden Girls School and other good schools for both boys and girls. Staplehurst Main Line Station is about nine miles (London 65 minutes), Tenterden about eight miles, Cranbrook about five miles, Tunbridge Wells and the coast at Hastings, each about 18 miles.

The property has been converted by the present owner for his own occupation. He purchased the original oast and



For those who want a house which is really out of the run-of-the-mill category, the above should be of some interest. The Chelmsford office of Savills has been instructed to sell Gibraltar Mill, Great Bardfield, Dunmow, Essex.

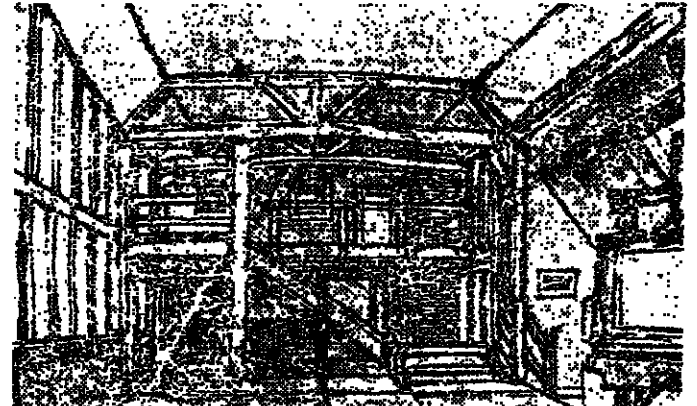
Mills, both water and wind, have a unique fascination. A large number of the former have been converted to farmhouses, compared to relatively few windmills. There is potentially far less accommodation in a windmill, and when neglected—as many were in the pre-war years—they are vulnerable to the elements, because of their exposed position.

Gibraltar Mill has been described as being of exceptional interest. Originally a smock-mill, built in the latter part of the 17th century, it was converted into a tower mill in 1751, and was used as such until 1930. It was converted into a house in 1957, and the present owners acquired it some eight years ago, and fully modernised it at considerable cost.

Although the Mill has excellent accommodation, one must allow for the eccentricities associated with property of this type, including the irregularly-shaped rooms, spiral staircases and the old mill features, such as giant cogwheels in two of the rooms. While the sails can still be turned, they do no more than turn the huge brakewheel.

The property has quite remarkable views, particularly for Essex. In one direction they are over the beautiful village of Great Bardfield and to the other across rolling fields and woodland, over the River Pant, nearby watermill to Finchingfield church on the horizon.

Gibraltar Mill provides the following accommodation: two bedrooms, along with two bathrooms and two dressing-rooms, four bedrooms could be provided, modern kitchen, attractive octagonal drawing room, gallery, study which has a high, conical, ribbed ceiling with door to the fantail.



barn because of its rural setting and commenced to carry out a most thorough and imaginative conversion, taking considerable care to retain the character of the buildings. No expense has been spared in ensuring that the basic fabric and services are to the highest standard. The design is to his own requirements but is easily adapted to more conventional needs. A certain amount of finishing work is still required to the interior, thus giving a purchaser the opportunity of installing fittings and colour schemes to their own taste.

# Chess

RESULTS in the last month have firmly established Britain's young players as a rising force on the international chess circuit. The Lord John Cup, where Stean, aged 24, defeated 20, and Nunn, 22, registered grandmaster scores, was followed by the Aaronson congress at Harrow where Peter Large, 20, of Sheffield University, tied with the Czech grandmaster and world title contender Hort.

At Berne, last week, three British university students headed a field of 28—including seven international masters from West and East Europe. Shann, Taubert, 19, a freshman at Downing College, Cambridge, won first prize with 6½ out of 9, while Jonathan Spielman, 20, and Mestel were among four who tied for second.

Best of all is the news from Lanzarote, Amsterdam, Biel and now Tilburg, where Tony Miles and world champion Karpov were front-runners for first place ahead of an elite field of grandmasters. Miles lost to Karpov in the second round, but then showed brilliant form with successive wins against Sosonko (Holland), Smyslov (USSR), Gilgoric (Yugoslavia) and Balashov (USSR), while Karpov over-

grasped more sedately with other wins and draws. Final scores after 11 rounds were: Karpov (USSR) 8, Miles (England) 7, Hort (Czechoslovakia) 6, Kavalek (U.S.) 6, Timman (Holland) 6 and Hubner (West Germany) 6. Gilgoric (Yugoslavia) 5, Anderson (Sweden) 5 and Balashov (USSR) 5. Smyslov (USSR) 4, Sosonko (Holland) 4, Olafsson (Iceland) 3.

The implications of Miles' performance are several. On the next world ranking list, he should appear in the top 20 and perhaps in the top 15. He now has an excellent claim for direct selection to the interzonal in the 1978-81 world title series. His results this summer—Lanzarote, Amsterdam, Biel and now Tilburg—have established Miles as our best player ever ahead of the greats of the last century Staunton and Blackburne.

Finally, what I call the ultimate British chess dream becomes less fanciful. The dream? Miles wins the title eliminators.

Shutting the door on the knight: White is now in effect playing a piece down, and Miles' strategy is to exchange and so increase his material advantage and prepare the invasion of White's position on moves 28-29.

21 P-R3 N-Q5; 22 Q-Q1 BxB; 23 KxB N-Q4; 24 R-B1 Q-R3; 25 N-N, Q-N3; 26 P-B2 R-B2; 27 BxB R-QB1; 28 B-K3 Q-R7; 29 P-R4 R-B7; 30 R-B2 P-B5; 31 BxN BxB; 32 PxEP Q-N7; (the final preparation for the mating attack); 33 BxP. Ber: 34 KxB, BxB; 35 NxB, BxB; 36 Q-Q3 Q-Q5 ch; 37 KxB, R-N6 ch; 38 Resigns.

Black mates in three moves (an easy exercise for novices): good illustration of the aphorism: "Ein Springer—ein Rande, es sturzt die Schand' und ist elegant. Amerikaner—equivalent "a knight on the rim spells trim."

White mates in four moves at 1975. White (to move) is a pawn ahead, against any defence (by QxNP. Has he anything better?) Solutions Page 2

**POSITION No. 184**  
BLACK (9 men)

**PROBLEM No. 184**  
BLACK (3 men)

WHITE (10 men)      WHITE (4 men)

Portisch v. Gilgoric, Milan 1975. White (to move) is a pawn ahead, against any defence (by QxNP. Has he anything better?) Solutions Page 2

**Bridge**

IN LAST year's World Championship final, in which America beat Italy by 34 IMPs, the following deal did not help the Italian cause:

N.      E.  
 ♠ A 8  
 ♥ Q 2  
 ♦ K 7 3  
 ♣ A 10 9 8 6 4

W.      S.  
 ♠ 10 7 5 3      ♠ K 4  
 ♥ A K Q 10 6      ♥ J 7 5 3  
 ♦ 6      ♦ J 10 5 4  
 ♣ 5 3 2      ♣ Q J 7

♠ J 9 8 2  
 ♥ 8 4  
 ♦ A Q 8 2  
 ♣ K

East dealt and passed, South bid one spade, to which North replied with two clubs, then South rebid two diamonds, and North's primary preference bid of two spades was passed all round. This was the Italian sequence, and nine tricks were made.

In the other room the first four bids were the same, but the American South tried again with three spades, and North raised to four.

After cashing two hearts, West had two lines of defence. He could play a third heart, giving a useless ruff discard, which would defeat the contract, unless South bid one no trump, the declarer had X-ray eyes in which North replied with two

playing the trump. The ruff diamonds. This was a transfer bid to hearts, and South with his excellent holding in that suit jumped to three hearts. North made a forward move by saying three spades, but after South's three no trumps settled for four hearts.

Moeller, sitting West, struck the first blow by leading a winning hand with the King trump to the Queen. The declarer led a club to dummy's Ace and returned the diamond East returned a heart, but three East put in the ten, and declarer ruffed, and West's "the King was taken by the Ace. Another trump was returned, and South then crossed to the minor suits, for he could not keep his four diamonds intact as well as guard in clubs.

My second example comes from the World Olympiad, and shows a great defence by the Danish pair, Moeller and Werbelin.

N.      E.  
 ♠ K 9 2  
 ♥ J 10 9 8 5 3  
 ♦ 7 6 3  
 ♣ A

W.      S.  
 ♠ J 5 3      ♠ Q 8 6 4  
 ♥ 7 4 2      ♥ 6  
 ♦ A 9 5      ♦ Q J 10 8 4  
 ♣ K 9 5 2      ♣ 8 8 3

♠ A 10 7  
 ♥ A K Q  
 ♦ K 2  
 ♣ J 10 7 6 4

Now South led the club Knave, and West had a problem. The declarer could hold either the spade Ace or both black Queens for his no trump bid. Moeller rightly decided that it was more likely that South had the spade Ace, so he ducked. The club was ruffed on the table, and when the last trump was led, it was East's turn to do his homework. If he threw a diamond, he saw that he could be thrown in and forced to open up the spades. He therefore threw a low spade, trusting West to hold the Knave. Brilliant!

E.P.C. COTTER

**Bell-Ingram**

For Sale by Private Treaty      Accessible to Edinburgh and Glasgow

**EXCEPTIONAL PERTHSHIRE RESIDENTIAL ESTATE**

In a very beautiful situation yet readily accessible

About 2,880 Acres

Delightful COUNTRY HOUSE, largely built 1945 in traditional Scottish style with Drawing Room, Dining Room, Study, Sitting Room, Cloakroom, 2 Double Bedrooms/Bathroom Suites, 2 Double Bedrooms, Bathroom, modern Kitchen, etc. Staff Accommodation of Sixteen, Double Bedroom, Bathroom, Kitchen.

On-farm Central Heating, Main Electricity, 4 Cottages

**ARABLE & HILL SHEEP FARM**  
2½ acres excellent arable land about 250 feet above M.S.L., 2,500 acres hill grazing (1600 Ewes)

**GROUP MOOR WITH STALKING**  
Grouse shoot 200 acres  
Siskin 8-16 Sept. 10 Hinds  
Cover Shooting; 7 Woodland Stands

ABOUT 11 HOURS DRIVE TO EDINBURGH OR GLASGOW  
7 Walker Street, Edinburgh EH3 7JY. Tel: 031-225 3271

**LARK VALLEY GOLF CLUB**

SUFFOLK

NEAR BURY ST. EDMUNDS

11½ miles from Bury St. Edmunds 3 miles from Ipswich

A FINE CLASS 18-HOLE GOLF COURSE OF ABOUT 104 ACRES

6,294 yards, par 71

Magnificent clubhouse providing every modern facility including: Professional Shop, Two Squash Courts, Two Bedrums, Flat, Sauna Bath.

Also Available: 91 Acres of Building Land with Detailed Planning Permission for 3 Model with 28 Chalets. For Sale by Private Treaty

LANE FOX & PARTNERS

100, Abchurch Lane, London EC4N 3DF

**AUSTRALIA**

**Tropical Island Resort**

on SOUTH MOLLE ISLAND in the famous GREAT BARRIER REEF

For SALE BY AUCTION as a going concern at 11 am November 3, 1977 in Brisbane

A long established modern, beautiful Tourist Resort with every amenity including high quality accommodation for upwards of 200 guests, bars, restaurant, shops, golf course, swimming pool, set amid avicaya palms forming part of a National Park rain forest with many miles of walking tracks. The resort is served by 28 seat helicopter (35 minutes from jet terminal) and launches. Great Cruisers, fishing, scuba diving and sailing. Ideal tropical climate.

Full details and colour brochure from the Auctioneers.

Collier Duncan & Cook Pty. Ltd.  
Under instructions from the Mortgagee in possession.  
255 Adelaide Street, Brisbane, Australia  
Ph. (07) 511-2211-2211 Telexgram CDDU Brisbane  
Telex AA41077. Contact: Fletcher King & Nagrau, Tel. 01 724 7701 LONDON UK

**THE ROUDHAM HALL ESTATE**

6 miles east of Thetford, Norfolk

**1410 acres**

A Substantial Agricultural Investment comprising: 1319 acres in one main tenancy, the whole producing £15,540 per annum; also with vacant possession 80 acres of Woodland and a Modern Bungalow

Valuable Sporting Rights

For Sale in one Lot (unless previously sold privately)

at Everards Hotel, Bury St. Edmunds on Wednesday, 2nd November, 1977 — 3.30 p.m.

Joint Auctioneers:

Lacy Scott and Sons, 3, Hatter Street, Bury St. Edmunds, Suffolk, IP33 1NB. Telephone 0284 63531

King and Chasmore, Farms Department, Station Road, Paulborough, West Sussex RH28 1AJ. Telephone 07982 681

**JACKSON & JACKSON**

WEDMORE SOMERSET

8 miles West

8 miles NS Eithelwood Connection

Beautifully proportioned period house (11 rooms), 3 miles from town, extensive garden, excellent views, excellent location, excellent investment, excellent income for sale of antiques, although would suitly convert into holiday home. Excellent 2000 sq. ft. garage. £24,000 Freehold. Only—

JACKSON & JACKSON, Country Department, The House on the Quay, Lynton, Devon, TA12 6LQ. Tel: Lynton 75022.

**Interest free loans for home owners and buyers**

Minimum £6,000—Maximum £25,000

Loans offered to subscribers by monthly ballot and tender over a 160 month (13½yrs) period

Repayments over a further 160 month (13½yrs) period

Re-mortgage available for any purpose if already a home owner

Profit sharing

**Langford Scott & Partners Ltd**  
32 Wellington Street, London WC2E 7BD

To Langford Scott & Partners Ltd, 32 Wellington Street, London WC2E 7BD. I wish to know more about your Interest Free Loan Scheme linked to home ownership. Please send me a copy of your brochure enclosing an application form. I understand that this request does not commit me in any way and that nobody will call.

Name \_\_\_\_\_  
Address \_\_\_\_\_

**Your key to instant sunshine**

"Mobile Homes South of France £4,350"

At Anglet, sea. Most one of the prettiest resorts in Southern France. It has a limited number of brand new luxury mobile homes and ready for occupation.

On a direct road to the sea that has all amenities each home accepts gas, electricity, water, full telephone, gas and electricity.

The car also offers a full lounge room. Don't miss this opportunity. ACT NOW. Phone for full details or write to us at:

Hepcombs Ltd., 75 Stamford House, Stamford New Road, Aittrincham, Cheshire WA14 1BL. Tel: 0911 061-528 3465. South: Amsterdam (02043) 22625

**OSMOND, TRICKS & SON**

**LEICESTERSHIRE**

A highly productive arable and dairy farm

**LODGE FARM—WYTHONDHAM, near MELTON MOWBRAY**

Modernised farmhouse and an excellent range of outbuildings and professional buildings. Fully equipped for dairy, beef and all milking equipment included.

Extending to about 313 ACRES

With VACANT POSSESSION of the Whole

FOR SALE BY AUCTION ON WEDNESDAY, 2nd NOVEMBER, 1977 (unless previously sold privately)

CHARTERED SURVEYORS  
7 & 8 Queen Square, Bedfordshire MK43 4JG. Tel: (0272) 29371

**ISLE OF MAN**

**NEAR DOUGLAS**

**SPRINGFIELD HOUSE, BRADDAN**

An imposing well appointed Gentleman's Residence of quality and character standing in its own wooded grounds extending to approximately 3½ acres.

3 reception rooms, sun lounge, modern fitted kitchen, house-keeper's sitting room, 5 bedrooms, 2 bathrooms. Full central heating. Staff apartment. Extensive range of ancillary buildings. 3-car garage. Detached gate lodge.

For further details apply: Chrystal Brothers, Stott & Kerruish, Athol Street, Douglas, Isle of Man. Tel: (0624) 23778.

**WEST MILLANDS**

**CANWELL HALL, SUTTON COLDFIELD**

Superior Freehold Modern Country Residence

In a magnificent rural setting with 23 acres. Seven miles Birmingham. Four excellent bedrooms, two bathrooms, three reception rooms, full central heating. Excellent domestic arrangements. Garage. Wine cellar. Pictorially furnished.

QUANTRILL SMITH & CO., Sutton Coldfield 021-354 4481/4

**COTE D'AZUR**

Château de Grasse

A rare and superbly appointed property in a much sought after position. Fully restored to highest specification.

Village House

25 minutes from Cannes. 3 beds. 2 bath, shower room, etc. 2 recep. Excellent views. Secured garden. Most complete international property. 17 Montagu Square, London WC1M 6JH. Tel: 01-589 3600 Telex 914087

**BLOCK OF EIGHT**

modern converted town houses, 2 bedrooms, double garage, for sale by share transfer in selected part of St. Helier, Jersey. 2 minutes from town centre. £185,000.

19, Cannon Street, EC4P 4BZ.

**CANONBURY N.I.**

Exceptionally fine period house in most desirable part of village. 15 miles City and West End. 5 beds, 2 baths, Reception, 2 Bathrooms, C.H., Dish, Garage, etc.

Freehold £68,000

Telephone for appointment to view 71-226, 5031

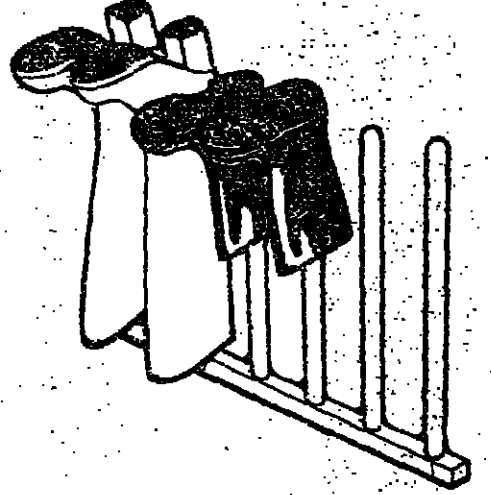
July 1977



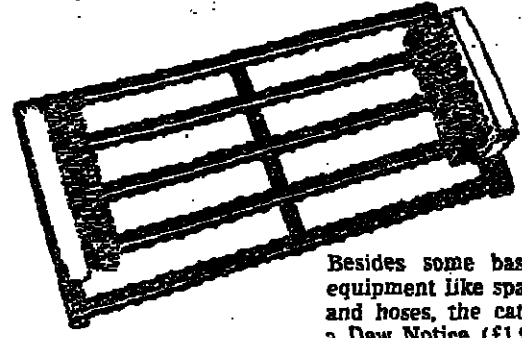
# How to spend it by Lucia van der Post

## Growing needs

THE GARDENER'S Catalogue is exactly what it says it is — a simple, well-illustrated catalogue from which people with gardens may order some of the things they need from the comfort of their own sitting-rooms. It is an admirable way to choose Christmas presents for rural friends and relations and in each new catalogue (I wrote about the summer one several months ago) there is always something that seems new and interesting.



Those who live in the depths of the country and/or are addicted to gardening or long walks would probably find the small corner of the catalogue given over to products for keeping footwear in order particularly useful. The Boot Tidy, illustrated here, is a sturdy



The Bootscraper I have found to be an essential country appurtenance. It's yet another simple idea—a metal grid to the sides of which two strong bristle brushes are attached. When the rider or walker returns he scrapes the worst of the mud on the metal grids and uses the brushes for the sides of the shoes or boots (£6.95).

## Cast off

Not from the Country Garden but from Sylvia's of 25 Beau-champ Place, London S.W.3, is this modern copy of a Victorian bootjack. Easy Lizzie (as this copy of a Victorian circus rider has been named) is used just like a conventional boot jack—put one boot on her and use her legs to ease the other boot off. Made of cast iron with a polystyrene varnish, Easy Lizzie costs £5.95 from Sylvia's. Sylvia will post for 90p p. and p.



## Rugs to riches



ABOUT four years ago now I wrote about Caroline Bosly, who had set up and established a remarkably successful and useful business as a completely independent broker in Persian and Oriental carpets. I remember then that we were still reeling from the consequences of the three-day week and there seemed no economic certainties left.

Caroline Bosly, however, impressed me at the time with her passionate interest and belief in the value of good-quality, hand-made Oriental carpets. She herself believed in their future so strongly that as fast as she made any money she used it to buy carpets for herself.

Well, since then, many things have changed. The economy looks better, the pound looks steadier and the price of carpets has risen if not faster than inflation, at least too fast for those of us who wish we'd bought some then but didn't.

To give you some idea of the changes that have happened: in September 1974 I said that Caroline Bosly dealt in a wide range of hand-made rugs, from cheapish, colourful rugs, starting at £20—now the starting price would really have to be about £30.

For your £50 she could probably find you a small Turkish, Persian or Pakistani rug. Kellins, which are my personal favourite, have strong, colourful patterns but no pile to protect them, and whereas a good-sized rug of about 8 feet by 6 feet sold in 1974 for £60, a similar one now would be £120.

The situation is similar with Afghans, which are still very popular, largely for their lovely, golden-brown colouring. Whereas a 12 feet by 9 feet size was then quoted as about £350, now it would probably be about £800. The £1,000 silk I mentioned then are now about

£2,000 (though from a store, £4,500 is the likely price). For those readers who do not remember the service that Caroline Bosly offers I will remind them that she is an independent broker, which means she can introduce them directly to any of the importers of these rugs. She takes a straight commission on the sale which is so small that she asks me not to mention it for fear of offending the wholesalers. Most stores, of course, buy from the wholesalers (who have bought from the importers) who then need a large mark-up to cover their big overheads and the stock they carry. All of this accounts for their higher prices.

Caroline carries no stock; she now has a staff of two and a small office from where she keeps in constant touch with the stock in the large bonded warehouses that should you be after a specific colour, size or pattern she is almost bound to know the most likely place to find it.

The Oriental carpet business is a tricky one for the amateur. If you don't know what the going price is—or how to tell, say, a good Balouchi rug from a bad one, you can not only find that you are unable to sell it for anything like what you paid for it, but it may also begin to show unacceptable signs of wear.

Caroline Bosly has made it her business to study the market, she knows a hand-made rug from a machine-made one, to know good quality from bad and to recognise all the tricks of the trade. As I pointed out before, this kind of knowledge is vital. Rugs are priced by the bale so that for any rug in a given size you will pay the same price per square foot, whatever its quality. You need considerable acumen to make sure you can recognise the best and don't get landed with the dregs.

It is becoming harder and harder to find good rugs. Whereas four years ago Caroline could have looked through a bale (which is 50 rugs) and found about 40 of acceptable quality, nowadays she finds about 12 and she suspects that by 1980 it will probably have sunk to one. Not only has world demand for good-quality rugs increased but as the old workers in the carpet industry die they are not being replaced by younger ones.

For investment purposes she would recommend buying the sort of rug that isn't too rare, that is, not too expensive, or too large in size. Rugs under £5,000, she thinks, are still very good value. Qums, Isfahans and Herizis are good investments in this price-range while for a mid-market investment (at about £1,000) there are Turkish Kulas, which are strong, hard-wearing, attractive and should appreciate.

The crucial points to be sure of when buying a good-quality rug are first to check that it is hand-made. If it isn't you may still derive a degree of pleasure from it but it will have hardly any second-hand value. If you look at the back of the rug and you can see the design clearly, it is very probably hand-made—if you can't, it is indisputably not hand-made.

Secondly, buy from somebody who is established and who will be there in a couple of years' time so that if you change your colour-scheme, or the size of your house and want to change the rug, you can go back. Always ask for some kind of buy-back guarantee.

Thirdly, look at the quality of the wool and see if it has come sheen and feels firm enough to withstand wear and tear.

You can check on whether a "silk" rug really is made of silk by taking a tiny thread through how you persuade the seller to let you do this is your problem) and lighting a match under it. If it melts, it's silk; if it burns, it's cotton.

Some rugs are "antique washed" to give them an antiquity that isn't theirs—you can check on this by opening the pile. If it is genuinely old the colour will be darker where the knot is (not that at the tip. If it is the same colour throughout, it isn't genuinely old).

Similarly, golden carpets should be woven from golden wool, not chemically-washed afterwards, for this deprives the wool of some of its elasticity. You can check on this again by breaking the pile—if the knot is pink, then the carpet was originally red and is less valuable.

As to caring for the rugs, Caroline says that owners should never be afraid of either muddle and thread or sticky-tape—just keep the scissors away.

Rugs can be washed at home by hand by using a simple soap, without detergents. Make sure to rinse very well and dry over a rigid surface, like banisters.

Only vacuum-clean the rugs, don't beat them. Use a simple soap or soda siphon on fresh stains (the bubbles lift the stain right out).

Caroline Bosly works from her office at 13, Princess Road, Regent's Park, London NW1, and because she offers a personal service, she likes potential clients to make appointments by telephone first (01-722-7608). She then arranges to discuss with them how much they have to spend, what it is they are after, and then takes them to visit the warehouses where she knows what they seek is likely to be found.

## Cooking with Philippa Davenport



I WAS optimistic enough to think that September might bring us an Indian summer. But October is now with us, dusk creeps in earlier each day and my hopes are dashed. The fruit and vegetables of winter—root crops, brassicas, apples and pears—are already in evidence but, since several months' reliance on them lies ahead, I'm making the most of the last of the summer season crops while I can.

Sweetcorn, runner beans, courgettes and marrow are, on the whole, past their prime and best avoided I think. Watercress, salad onions, cucumbers and lettuce are still around but you need to pick and choose pretty carefully. Some prime, sweet-tasting tomatoes are still to be found for stuffing and salads.

One of my favourite lunch dishes at the moment is Greek salad: sliced tomatoes with a few thin rings of onion; fat black olives and match-stick strips of feta (or white Stilton), sprinkled with crushed coriander seeds, oregano, thyme, black pepper, coarse salt and a drizzle of green-tasting olive oil.

There are tiny onions and crisp cauliflowers ideal for cooking as well as pickling; some first-class spinach and broccoli, sweet red and green peppers and lots of aubergines. Mushrooms don't seem so abundant this year as last but fresh from the fields they are unbelievably good. Mushrooms simmered in cream, well seasoned with salt and pepper and sharpened by a squeeze of lemon juice, make a delectable vegetable.

### Mushroom soup

For an equally good but not so fattening Chinese mushroom soup, with plenty of bay leaf and garlic and a clove of garlic, slice and onion (complete with skin) in one tablespoon oil. Sprinkle on 2 teaspoons sugar and allow to caramelize slightly. Add 4 oz dried mushrooms (previously soaked in 1 pint but water) and their liquor, 2 lb chopped fresh mushrooms (the slanted, flat type have best flavour), six crushed coriander seeds, 1 teaspoon dried marjoram, a couple of thin strips of lemon rind and 1 pint light chicken stock. Cover and simmer for 45

minutes, adding a good squeeze of lemon juice and plenty of salt and pepper about ten minutes before the end of cooking time. Stir through butter, mustard to extract vegetables and specks of seasoning, reheat and stir in 2 oz raw button mushrooms cut into paper thin slices.

The choice of fruit is not so varied—mainly apples, pears, bananas and citrus fruit. Plums make excellent pies, dumplings and even foils, but I like them best simply oven-poached. I make a cut round each one following the natural indentation to prevent skins bursting during cooking, sprinkle with sugar and a little ground cinnamon plus the juice and grated zest of one large orange for every 2 lb fruit.

### Nut meringues

Cobs and hazelnuts are, an October treat, and I like to make miniature nut meringue biscuits to serve with poached fruit. Roast and grind 1 lb shelled hazelnuts and fold them into a meringue mixture made with 4 egg whites and 1 lb vanilla sugar. Drop in teaspoonfuls on to a baking tray lined with greaseproof, top each blob with a whole hazelnut and cook at 300 deg. F gas mark 2 for 2 hours or until well dried out. Stored in an airtight tin, these keep well for about a week.

I use hazelnuts to replace almonds for the delectable coffee layer cake in Margaret Costa's Four Seasons Cookery Book—they are cheaper than almonds and give the same beautifully moist texture.

Cream 1 lb each butter and caster sugar until fluffy. Whisk 2 large eggs, sift together 3 oz plain flour, 2 teaspoons coffee powder, 1 teaspoon baking powder and a pinch of salt. Beat into butter and sugar mixture alternate spoonfuls of the eggs and the flour mixture. Stir in 2 oz ground hazelnuts, divide between two greased 7 inch sandwich tins and cook for 25-30 mins at 375 deg. F gas mark 5. When cold, sandwich together with nut butter cream, add 3 oz sifted icing sugar and 1 oz chopped roasted hazelnuts to 2 oz creamed butter and beat for 5 minutes. Top with coffee glaze icing (beat a scant table-spoon of very strong warm coffee with 3 oz icing sugar for three minutes) and crust the rim of the icing with 1 oz chopped, roasted hazelnuts.

### Lemon chicken

Chicken breasts, lemon and tarragon are combined again in this delicious recipe sent to me by a reader in Hong Kong. Again you will need the breasts of two 3 1/2 lb chickens to serve four. Skin, bone and cut the raw meat into slivers. Cream together 4 teaspoons each cornflour and sherry, blend in a lightly beaten egg, 2 teaspoons caster sugar and 1 teaspoon salt. The chicken in this mixture and leave to marinate for 2 hours turning occasionally. Meanwhile prepare the sauce by creaming 1 teaspoon cornflour and 1 teaspoon water. Blend in the juice and zest of two small lemons, 1 lightly beaten egg, 1 teaspoon dried tarragon, a little salt and a scant 1 pint chicken stock.

### Chicken Kiev

Far more fattening but a nice party dish—and one that is not that difficult to get right—is

chicken Kiev. I use a herb butter. Cream 1 lb butter, blend in 1 1/2 teaspoons lemon juice, 2 teaspoons each finely chopped fresh tarragon and parsley, 1 teaspoon cloves and plenty of salt and pepper, shape into an oblong (use damp hands), wrap in greaseproof and chill until solid.

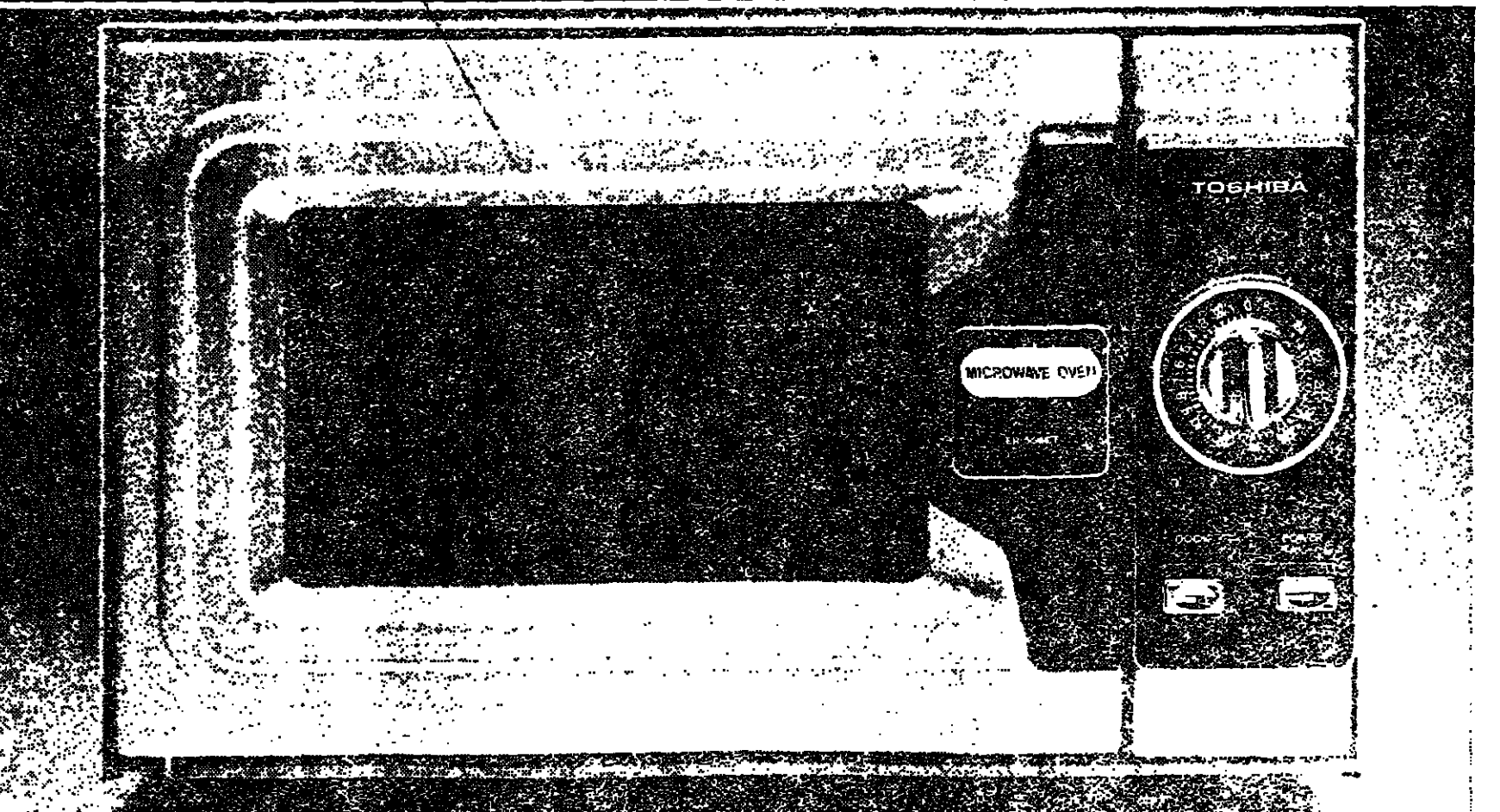
Meanwhile prepare the chicken—you will need the breasts of two 3 1/2 lb chickens to serve four. Pull the legs away from the body of the chicken and cut them off. Cut down the centre of the breast, working towards the neck end, completely peel back the breast skin and ease out the wishbone. Insert the knife between breast bone and flesh and gently cut the meat away from the bone, taking the knife over the rib cage right down to the point where the wing joins the body. Cut through the wing joint so that the wing is still attached to the breast meat. Then cut off the wing pinion, so that only the main wing bone is now attached to the breast meat, and scrape back the flesh from the bone. Separate the loosely attached fillet of breast meat. Place both pieces between sheets of greaseproof and carefully beat flat. Cut 1 oz stick chilled herb butter, lay it down the centre of the larger piece of meat, cover with the fillet and fold the breast meat over to make a neat elongated parcel.

Prepare the three other "parcels" in the same way. Dust each with well seasoned flour, moisten with lightly beaten egg and coat generously with fresh breadcrumbs—you will need about 6 ounces—and refrigerate for at least two hours. Deep fry for 10-15 minutes depending on size; cook two pieces at a time so that they don't touch each other. Lower heat if browning too fast. Drain well and decorate with cutlet frills to serve.

### Super flavour...! Speed enhances the quality of your cooking as well as its economy. The Unfreezer brings out the flavour, goodness, colour. Ham and fish actually taste better. Green veg stays deliciously green!

### Save it with the Unfreezer—costs less than 2p per hour!

Toshiba Unfreezer uses less power than a single-bar electric fire. And it uses it only in short bursts: no warm-up time required. Cuts your bills, speeds up your cooking and still costs only £199 incl. VAT. Credit available. Parts guaranteed 24 months, labour 12 months. Toshiba stockists and service agents throughout the UK. Send for list today.



## The Unfreezer

If you've got food in the freezer, you can have it hot on the table in minutes. Any time. Day or night.

Last minute guests; a husband working late; kids who bring home friends without warning; if you've got food in the freezer, the Toshiba Unfreezer gets it ready to eat within minutes. You keep your cool. And the family get hot food, however late the hour.

Cooking from scratch, defrosting, reheating—this remarkable oven cuts to a minimum the time you spend preparing meals. Yet unlike a car, its high speed means low fuel consumption. The Unfreezer runs on less than two pennyworth of electricity per hour.

So simple...! Just place the food on its serving dish in the oven. Dial the time shown on our easy-to-follow cooking chart—and press the button. In minutes, food's ready to eat without mess, smell, fuss.



Super flavour...! Speed enhances the quality of your cooking as well as its economy. The Unfreezer brings out the flavour, goodness, colour. Ham and fish actually taste better. Green veg stays deliciously green! Save it with the Unfreezer—costs less than 2p per hour! Toshiba Unfreezer uses less power than a single-bar electric fire. And it uses it only in short bursts: no warm-up time required. Cuts your bills, speeds up your cooking and still costs only £199 incl. VAT. Credit available. Parts guaranteed 24 months, labour 12 months. Toshiba stockists and service agents throughout the UK. Send for list today.

To: Mrs. Sally Broad, Toshiba (UK) Ltd, FREEPOST, LONDON NW5 1YA. FT1 (no postage stamp required)

Please send me further information.

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel. No. \_\_\_\_\_

**TOSHIBA**  
In Touch with Tomorrow

**THE WEBB**  
Specialists in...  
BENNA GLASS LIMITED  
25, 27 PATERN GARDEN  
LONDON EC1N 6ST  
Tel: 01-455-0511

**Richard Draper**  
skinfraftsmanship  
The way towards skin-shape & suede leather.

**RESTAURANT LAURENT**  
41, avenue Gabriel, PARIS  
(Champs-Elysees)  
Phone: 359.14.49  
Exclusive cuisine in a unique setting  
Private dining rooms - Bar - Terraces  
Closed on Saturday and Sunday

- Suggested menus
- Greek salad
  - Chicken a la Kiev with broccoli
  - Coffee layer cake
  - Chinese mushroom soup
  - Hong Kong fennel chicken with steamed spinach or fried noodles
  - Compote of plums with nut meringue biscuits



# The Arts

## Sunday punches

BY ANTHONY CURTIS

In giving my reactions to Radio 4's new Sunday schedule I had better begin by stating the uncomfortable truth that most people have got better things to do on Sunday morning than listen to radio. Not Now I'm Listening is the title of a new magazine programme put out at noon, and aimed at enticing some leisurely, quality writing on to the air. But listening in that sense is precisely what (unless you have the misfortune to be a radio critic) you are not doing. You may be in a variety of situations ranging from lying half asleep in bed, to peering at the sitting-room wall, to driving along with the clink of golf-clubs coming from the back seat of the car, situations where you are able to devote anything from one tenth to one half of your mind to what is coming out of the radio as an accompaniment to more immediate activities (or inactivities).

The ideal broadcaster for this limbo of half-hearing is or was Alistair Cooke. There is something about that curious mid-Atlantic accent, that devious method of constructing a talk like unravelling a skein of fine knitting-wool that has gotten knotted up, that sated almost wit, which is perfect for the mind. Mr Cooke has been shifted under the new dispensation from 9.15 to 12.40, cheek by jowl with *The World This Week*, now curtailed by 20 minutes. No doubt one will get used to hearing him there rather than at the earlier time where he has been replaced by the first of the new packages International Assignment, an offshoot of *From Our Own Correspondent*. Here the BBC's foreign reporters spoke of their own craft in timeless terms and between them managed to dredge up some good anecdotes. But at present I miss the gentleness of Cooke's tone, I am jarred at this hour by the explosive silliness of Michael Elkins who bursts through my set like an express train on a branch line.

After the Morning Service we were bidden to Forget Tomorrow's Monday in a miscellany compiled by the Woman's Hour Unit. Naturally it mainly consisted of Woman's Hour favourites, people like Arthur Marshall, Nigel Dempster, Alan Coren, Mahalia Jackson, all doing their stuff with zeal, passing the time pleasantly if predictably enough. Next came *Local Times*, a round-up of items from local BBC radio. I always find *Pick of the Week* compelling, grateful to hear some of the plums I have missed but when as here you

widen the net to include almost anything broadcast anywhere in Britain by the Beeb the material does become rather thin. So much of local radio is only really acceptable locally.

*Money Box* followed, "the programme that tells you how to take care of the pound in your pocket." The Big Six Unit Trust management were allowed to recommend their wares; then the boss of the Inland Revenue, Sir William Pitt came on. He was asked some pertinent questions, particularly on the behaviour of tax collectors when they are bounding some hapless individual. Here was a programme with clear aims which fills a gap.

The aims of *Not Now, I'm Listening* are by contrast at present nebulous in that they consist of providing items in the areas of wit, poetry, fiction and music, not provided by other arts programmes, a sort of radio New Yorker, we were told. Even discounting that hubristic assumption, this first collection with its musical jokes, bits of parody, and ad hoc poetry seemed to be landing everywhere except the target.

By contrast, the new programmes for Saturday have got off to a goodish start. I am sure that *Does He Take Sugar?* will be welcomed by many disabled people whose problems it examines frankly and sensibly. *Kaleidoscope Encore* (its own pick of the week anthology) is obviously another good idea, and so for instant nostalgia are the tapes of the *Royal Variety Shows* over the past 25 years; David Nixon is playing them back with linking commentary.

In a further bid for the mass audience Radio 4 is giving us adaptations of all the major Raymond Chandler novels, starting last week with *The Big Sleep*. Philip Marlowe has stood up to a great many batterings in his time and presumably he will survive this heavy sapping by the Drama Department boys. I enjoyed the show but missed the resilient stamens flow of wisecracks that come so prodigally off the page.

THE Royal Opera House regrets that, because of contractual difficulties with the musicians' union, the performances of Don Carlos have now to be given within a duration of three hours on October 10 and 13.

It will therefore be necessary to cut the entire Fontainebleau scene (act one) together with the garden scene (act three, scene two). To save additional time the first interval will be cut, and the following *aria da fe* scene (act three, scene two) will be performed in a simplified setting. There will also be a few small cuts elsewhere in the opera.

## The Government Inspector

BY MICHAEL COVENEY

Gogol's comedy, always enjoyed easily on the open stage: Bruce Cruicible Theatre by Oleg Tabakov, a Russian visiting courtesy of the Great Britain-USSR Association and Artistic Directors Peter James, who produced *Twelfth Night* at the Serpentine Theatre in 1975 with Mr. Tabakov as Malvolio. Tabakov is a graduate of the Moscow Art Theatre school and, judging by his work with the Sheffield company, an expert in the field of comic business.

Admittedly, there is too much of it. The show would benefit from losing twenty minutes off a three-hour running time, and such extraneous gags as the little black rat who crosses the stage in a spotlight to predetermine the Mayor's nightmare speech in the opening scene, and a collapsing chair later on, should be a first to go. But Tabakov's busy creativity really pays dividends in scenes like the appalling, unprovoked clerk is beautifully caught on his first appearance once the impostor has made his mark and set them trembling in fear of a damaging

report. One by one they slip easily onto the open stage: Bruce Cruicible Theatre by Oleg Tabakov, a Russian visiting courtesy of the Great Britain-USSR Association and Artistic Directors Peter James, who produced *Twelfth Night* at the Serpentine Theatre in 1975 with Mr. Tabakov as Malvolio. Tabakov is a graduate of the Moscow Art Theatre school and, judging by his work with the Sheffield company, an expert in the field of comic business.

Admittedly, there is too much of it. The show would benefit from losing twenty minutes off a three-hour running time, and such extraneous gags as the little black rat who crosses the stage in a spotlight to predetermine the Mayor's nightmare speech in the opening scene, and a collapsing chair later on, should be a first to go. But Tabakov's busy creativity really pays dividends in scenes like the appalling, unprovoked clerk is beautifully caught on his first appearance once the impostor has made his mark and set them trembling in fear of a damaging

## Three theatrical moves

BY ANTHONY THORNCROFT

This has been a good week for the respectable fringe, with three plays that started life in quite humble circumstances earning well deserved transfers. *Once a Catholic* by Mary O'Malley has moved into Wyndham's; *Are You Now or Have You Ever Been?* reappears at the Mayfair; and *Slack* transfers for a season at the Roundhouse.

*Once a Catholic* is a delight. It describes the fateful fifth form year of a batch of nuns at Our Lady of Fatima convent school in Harlesden in the mid-fifties, and it enables Mary O'Malley to write her Catholic girlhood out of her system while reliving those happy innocent days of early rock music and teenage awareness.

The play is little more than a collection of scenes—one or two of which could disappear without too much loss—taking the girls through the academic year. Three nuns in particular get special attention—Mary Mooney whose innocence is sorely tested; it gets her into constant trouble with the nuns, who always think the worst, and her ambivalent position at the end nicely balances the ambivalence with which Mary O'Malley treats Catholicism.

The other nuns are more straightforward—McIntyre just wants a marriage and has her way, making a convert to the Faith in the process in Derek, a finger clicking, steak haired Ted, while Gallagher—cynically gets the best of both worlds with a nastily-nice Catholic boy.

What gives *Once a Catholic* its great appeal is the forceful acting, with everyone on stage seizing their chances. Jane Carr as Mary Mooney of the bemused eyes and trembling lip, makes the most of the part, and as Mother Peter, the nun who has all fan's enthusiasm for St. Peter, her patron saint, Pat Heywood is dignified and pathetic. The 'fifties' feeling is beautifully captured in the background music and the fashions, and there are few more entertaining and worthwhile evenings in the London theatre.



Jane Carr, Anna Keaveney and Jane Carr in 'Once a Catholic'

Rodgers' direction. Mercifully this phase is over but the disturbing issues raised by the play remain.

ANTHONY CURTIS

*Slack* is a little lost in the Roundhouse, but it deserves to prosper. It is rock group Alberto's lost tris paranoias spreading its deadly parody of the rock music business out of the confines of individual songs and into a full scale theatrical happening. With the help of a few actors it sends up the pretensions, and the bland commercialism, of the music industry in a tale of "snuff" rock, the ultimate in audience gratification since it involves the execution of the singer at every performance. Norman Slack is the first victim of the new wave.

The starkness of the plot doesn't really do justice to the humour of it all. It is not an evening for punk rockers, the victims of the parody, because the jokes are too sophisticated for them, and they lack any sense of fun, anyway. But someone with a passing knowledge of contemporary music, and the way of the world, should enjoy the lunacy of it all.

Not a transfer but a change of cast brings Lewis Flanagan to the role of Rover in *Wild One*, the great success of the Royal Shakespeare Company, now packing them in at the Piccadilly. He takes over from Alan Howard and gives the part all the Hamboyance of his predecessor plus a mite more sensitivity.

The play itself, a late 18th century comic fable by John O'Keefe, is still played with tremendous gusto after a slowish start. On close inspection it does not amount to much, but the polish of the production hides the flaws, and ensures a happy middlebrow evening.

## Theatre

## Werther

BY MAX LOPPETT

Janet Baker's Charlotte at the Coliseum is now a performance to be reckoned among her finest achievements on the operatic stage—along with the Purcell and Berlioz *Didos*, with Penelope, Witellia, and Lucretia. The achievement is great in itself, and also because the role is not her by nature. She is not the fresh young singer for whom Charlotte was imagined (Marie Delina "la Musicienne" as Massenet called her in *Mes Souterrains*, was only 20 when she took the part in the first Paris production. The voice does not open up at the top in the demanding way required during the third and fourth acts; the big phrase arching upwards across a minor ninth in the Letter Scene was voiced with a glorious determination in which slight strain was not hidden. And, having so often watched her possessed by heroic resolve or rent by heroic passion, perhaps we find it difficult at first to see in her Massenet's serious young innocent gradually and painfully awoken to extra-marital love.

By Act 2 the spell of her peculiar resonance, eloquently enacted, beautifully sung, but even more poetically uttered. The play of colour below the surface was constant words, bend of body, facial expression and vocal timbre were all in indivisible accord. In addition, Dame Janet now allows herself a much greater range of grief-stricken gesture while reading the letters, and finds a greater resource of emotional abandon on which to draw during Werther's death scene. The result is that the portrait, powerfully laid out and filled with exquisite details on which the memory wants to linger, is now impassioned as well as infinitely subtle.

In a generally confident revival conducted with vigour and sensitivity by Charles Mackerras, there was little apparent sign of the company's interrupted rehearsal schedule. Only Joy Roberts as a capricious Sophie approaches Dame Janet for delicacy of touch, for striking and sustaining a mood with the kind of artlessness concealing great finesse. Because for most of the evening John Brecknock's voice refused to flow or surge out bravely, remaining unworriedly dry and tentative, he seemed more than ever intelligent, gallant and miscast in the title role, with neither temperament nor timbre for a romantic part. Patrick Wheatley's Albert, the Magistrate of Harold Blackburn, and the gently underplayed Schmidt and Johann of Terry Jenkins and John Tomlinson act effectively into John Copley's picture production. Whether Massenet's opera fits with absolute comfort into an auditorium the size of the Coliseum is another matter.

## Opera

## Theatres this week

**THEATRE ROYAL STRATFORD**—The Curse of the Werewolf: This theatre is at last back in form with a cheerful romp which places the classic horror story in the 1920's with many artful effects.

**NEW END**—Harry Outside: An American import which is a disappointing start for this newly opened theatre.

**HAMPSTEAD**—The Dog Ran Away: A play about Franciscan monks by a Franciscan monk which exercises a compelling thrill.

**YOUNG VIC**—The Awesome Worlds of Henry Pitt: Ken Campbell on form in a hilarious sequence of sketches which take off into the galaxy from basic set themes.

**DUKE OF YORKS**—The Dragon Variation: An "unbelievable" thriller starring Nyesa Dawn Porter and Roy Dotrice (many times).

**BUSH**—Pillion: A delightful play about a man's love affair with his motor bike.

**PRINCE OF WALES**—I Love My Wife: Richard Beckinsale should keep the coach parties happy for years in this soft-centred Broadway musical about thwarted wit swapping.

## Collecting

### A stylish way to go

ONCE in the late 'fifties, in a misguided quest for nostalgia, I took a sleeping car on the Train Bleu, hoping to recapture something of that erstwhile romance which stirred Valéry Larbaud, the French James Joyce, to declare: "I experienced all the sweetness of life for the first time in a compartment of the Nord Express." My trip, however, turned out a rough ride, and the service was terrible. I understood then that there is no turning back the clock.

The days are long gone when Europe's society and demimonde rubbed shoulders in the marquetry panelled corridors. Spies to Istanbul and Constantinople; Hercule Poirot on the Orient Express; merchants on the Trans-Siberian; diplomats and movie stars on the Paris-Berlin; Bertie Wooster and Gussie Fink-Nottle. Willie Maughan and all his creatures, the Ballets Russes and Josephine Baker heading for the sun and season on the Côte d'Azur Rapide.

It is an era past recall, or almost so; for if you have £25,000 or so to spare and can make it to Monte Carlo by mid-day to-day, you have a chance to buy a carriage that once made part of the great trains of the 1920s for your very own. Five carriages of the Compagnie Internationale des Wagons-Lits are to be sold, at Monte Carlo railway station, by Sotheby Parke Bernet Monaco S.A.

There is a small but lavish catalogue of the five lots, giving precise specifications of the order and capable of running at 140 km per hour) with colour



View of the main drawing-room of Pullman Parlour-Car No. 4163.

pictures. The most evocative and melancholy of the illustrations shows lot 5, a 1926 dining car rather sadly messed about with new plastic seats and tables in the late 'forties, as it sits forgotten in a siding, with grass and weeds growing up about its rusting sides.

The Compagnie Internationale des Wagons-Lits was founded just over a century ago by a young Belgian engineer Georges Nagelmackers, who was inspired by what he had seen of American railways to establish a whole network of luxury trains to join the great centres of Europe. His first carriages ran in 1872 between Paris and Vienna. Soon there were luxury expresses from Ostend to Berlin (1873), Paris-Bordeaux (1876), followed by the Rome Express (1878), the Orient Express from Paris to Constantinople (1883), the Sud Express, the Nord Express, the Paris-Berlin-St. Petersburg (all mid-day to-day, you have a chance to buy a carriage that once made part of the great trains of the 1920s for your very own. Five carriages of the Compagnie Internationale des Wagons-Lits are to be sold, at Monte Carlo railway station, by Sotheby Parke Bernet Monaco S.A.

The agony was ended in 1982 when Nagelmackers introduced his first dining cars.

The spogee of the great expresses came in the 1920s—the period of the carriages which Sotheby Parke Bernet are selling—when the Compagnie Internationale des Wagons-Lits introduced their luxury Pullman day parlour cars and commissioned the greatest masters of Art Deco, like Lalique and René Brout, to design the interior decoration. Lot 1, Pullman Parlour-Car No. 4163, made in 1928, is a classic, with furnishings by René Brout and textiles and panelling by René Lalique. The carriage began its career on the Côte d'Azur Rapide, and later on the Étiole de Nord, the Paris-Amsterdam, the Flèche d'Or, Paris-London and the Mistral.

The problem is what you do with a Lalique carriage, even though you have bought it? They could be adapted, I suppose to make the novel guest bungalows in the garden, or chic restaurants. The buyers will come from all over the world, but there seems to be little interest from the Middle East.

If you do buy one, the Compagnie Internationale des Wagons-Lits obligingly offers a variety of services, including shipping, maintenance, spare parts and supplies ("from bogies to chateau bottled wines"), installation of air conditioning and provision of staff, "from the sleeping-car attendant to the chef."

One thing is certain: at the anticipated price of £25,000 to £30,000 each, the carriages are bargains. To supply an equivalent carriage to-day would cost ten times as much—and that would not include a Lalique or a Brout to do the decoration.

JANET MARSH

**CHRISTIE'S**  
1766

8 King Street, St James's London SW1X 6QZ  
Tel: 01-839 9060  
Telex 916429  
Telegrams CHRISTART

### Christie's Review of the Season 1977

Christie's Review of the Season 1977 is an authoritative guide to the value of pictures and works of art sold at auction, and is a valuable book of reference not only for collectors and museum officials but also for those who wish to consider works of art as an investment.

In addition to many hundreds of colour as well as black and white illustrations, the Review includes articles on a wide variety of subjects by experts from museums as well as Christie's and other writers. Dr. Dorota Starzecha, Assistant Keeper in the Museum of Mankind, and Bryan Cranstone, Curator of the Pitt-Rivers Museum, Oxford, write on Maori and Hawaiian Art respectively. Dr. Rainer Rückert, Landeskonservator at the Bayerisches Museum, Munich, describes the Nymphenburg Commedia dell'Arte figures modelled by Franz Anton Bustelli which sold for a total of £230,800.

The Review will be published in mid-November, price £12.50 post paid, but there is a pre-publication price of £11.50 post paid for orders received before October 31st. Orders should be accompanied by a cheque or postal order made out to Christie's and sent to Mr. John Herbert at the address above, quoting RPT.

If you've got fine stamps, Stanley Gibbons would like to hear from you.

Stanley Gibbons is the world's greatest name in stamps. They are constantly searching for the best, whether individual stamps, collections, or old envelopes.

If you have any of these and want to sell them, phone Stanley Gibbons Buying Department now on 836 8444 Ext. 325. Or write giving details, to the address below.

**STANLEY GIBBONS LIMITED**  
39 STRAND, LONDON WC2R 0LX  
TEL. 01 836 8444

**ROY MILLS GALLERY**  
THE VICTORIAN ERA EXHIBITION NOW ON  
6 Duke Street St. James's London SW1

**ART GALLERIES**  
AGNEW GALLERY, 45, Old Bond St., W1  
59-62S 57th, Last Exhibition of English Portraits and Drawings from W.M. CHAMBERLAIN ART GALLERY, until 20 Oct. 7.30-5.30, Mon-Fri, 5.30-5.30, Thurs. until 7.30.  
BROTHERTONS—Recent Bird paintings by JOHN BIRCHALL and JOHN BIRCHALL, until 10-20 Oct. Weds. until 7.30, Thurs. until 7.30, Fri. until 7.30, Sat. until 5.30.  
FIELDSTONE GALLERIES, 63, QUEEN'S GARDENS, W.1, 10.30-5.30, MON-FRI, 10.30-5.30, SAT. 10.30-5.30, SUN. 10.30-5.30.  
GILBERT PAIR GALLERY, 265, King's Road, Chelsea, S.W.3, PETER EUGENE, until 10.30-5.30, MON-FRI, 10.30-5.30, SAT. 10.30-5.30, SUN. 10.30-5.30.  
DANIEL GALLERIES, 40, Albermarle St. Piccadilly, W.1, Fine 20th Century British and European Paintings and Drawings.  
SLOANE STREET GALLERIES, 128 Sloane St., W.1, Modern paintings, sculpture and objects by living artists, until 10.30-5.30, MON-FRI, 10.30-5.30, SAT. 10-11.

**CLUBS**  
EVE, 189 Regent Street, 734 0557, A la Carte or All-in Menu, Three Spectacular Shows, 10.45, 12.45, 2.45 and music of Johnny Hawkenworth & Friends.

**PERSONAL**  
INVEST PROFITABLY, professionally in stocks, shares, commodities FREE brochure on future investment course, REF list 1977, 1289, Sloane St., London, S.W.1.

## Mobil Concert Season

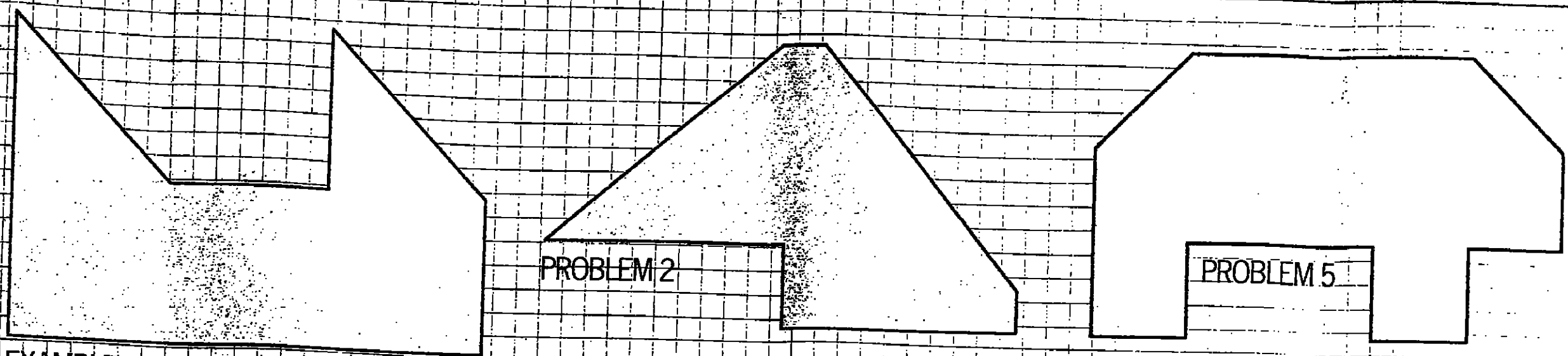
Royal Naval College Chapel, Greenwich  
Wednesday 19th October 1977

Wren Orchestra  
Conductor: Howard Snell  
Soloist: Moura Lympany

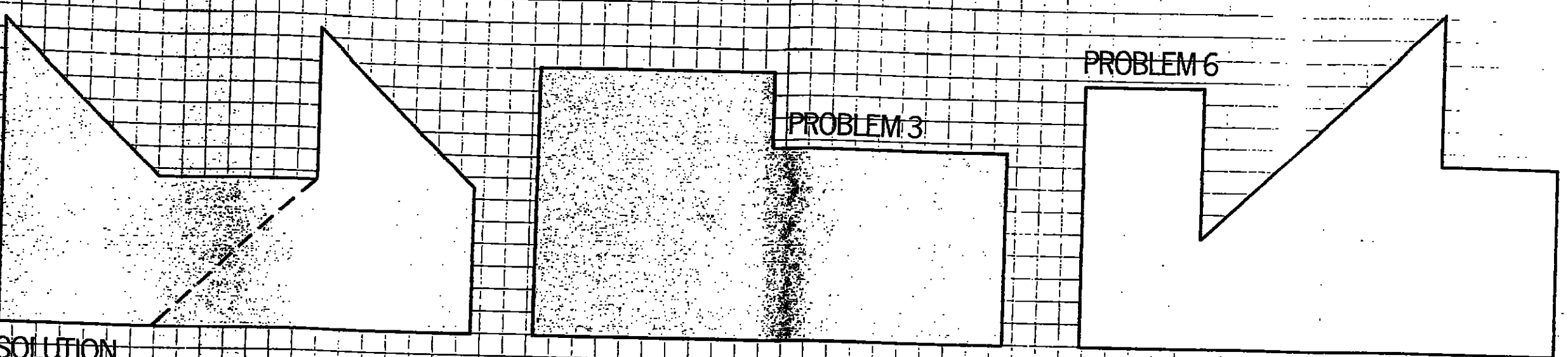
Beethoven 150th Anniversary Commemoration Concert:  
Egmont Overture  
Piano Concerto No 4  
Symphony No 7

Box Office: Telephone 01-854 5250

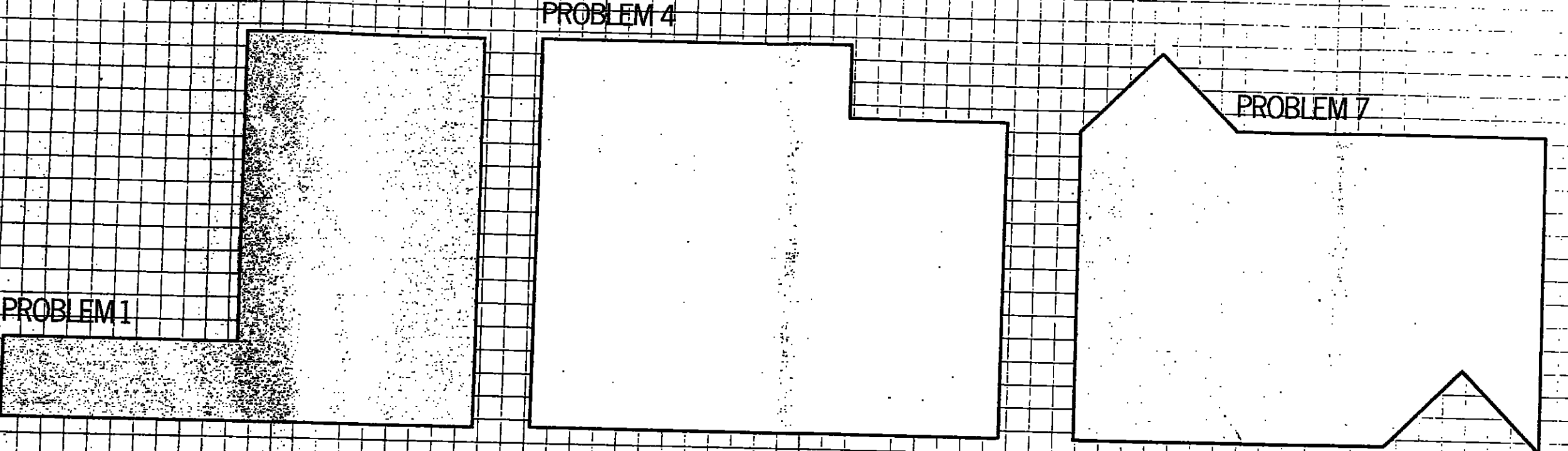




EXAMPLE



SOLUTION



# Edward de Bono's seven easy lessons in lateral thinking.

Each of these shapes can be divided into two equal halves by a line which may have angles. The two halves will be equal in size, shape and area.

To solve these puzzles you'll have to make an inspired guess and then work backwards to check your answer. This is called lateral thinking.

Edward de Bono, the psychologist and author, invented the term 'lateral thinking', but of course people have used it since man began to think. All great inventions are the result, at least in part, of lateral thought.

Bayer employ scores of scientists and technologists who solve problems using the type of thinking you will use to solve the puzzles on this page. It is the spark that together with logic, dedication and thoroughness produces the new ideas and products that help man cope with life.

Bayer have spent over a hundred years looking at old problems in a new way. Today, our synthetic materials are taken for granted. Once it was almost impossible to conceive of materials that could be tougher than steel, that could replace wood or that could be as soft as, but longer lasting than silk.

Our developments in chemistry and technology have changed the face of industry, agriculture, architecture, textiles. They have touched the lives of almost everyone in the modern world.

One day when the common cold is finally cured, it is sure to be the result of looking at this problem from an entirely new direction.

Afterwards, it will seem obvious.



Bayer think of tomorrow—today. By spending over £200 million on research every year. By making over 6,000 products. Employing over 170,000 people world-wide and selling to almost every country in the world, contributing to their economic well-being.

If you'd like the solutions to the puzzles, please write to us at the address below. We'll also send you a booklet about Bayer and the work we do, that will be published in the New Year.

BAYER UK LIMITED, BAYER HOUSE, RICHMOND, SURREY TW9 1SA.  
DIVISIONS: AGROCHEM, CROP PROTECTION & VETERINARY, DYES/TEXTILES/FIBRES, INORGANICS, ORGANICS,  
PHARMACEUTICALS, PHARMACEUTICALS & TOILETRIES, PLASTICS & SURFACE COATINGS, POLYURETHANE, RUBBER.  
EDWARD DE BONO IS THE AUTHOR OF LATERAL THINKING FOR MANAGEMENT.



OVERSEAS NEWS

Trudeau refuses language bill veto

By Our Foreign Staff

THE CANADIAN Government of Mr. Pierre Elliott Trudeau has decided against an all-out challenge to the law enacted in Quebec to make French the only official language of that province.

Instead it will support arguments that the law is unconstitutional when they are advanced in court cases by private individuals in defence of English language rights. The Government will not, however, provide money or legal aid to support such challenges.

In theory Mr. Trudeau could have vetoed the Quebec law altogether, or have had it tested in the Canadian Supreme Court. Explaining his choice of the softer option on Thursday, Mr. Trudeau said: "If you don't like the law, if you think they're bad, take your responsibilities and defend them in the courts and if you can't do it, do it at the polls."

Mr. Trudeau said he believed that the law may be unconstitutional, though it is thought that lawyers in Ottawa are by no means certain that the Supreme Court would take that position. Clearly the Trudeau Government could not afford to be defeated on so important an issue.

Schools

The law, sponsored by the separatist Quebec Government of Mr. René Lévesque, was passed in August. It restricts access to English state schools, among other things, and makes French the language normally to be used in the Quebec courts except in cases not involving corporate bodies, where all parties agree to use English.

That provision may be the weakest point in the law, since the British North America Act, which is the Canadian constitution, guarantees the right to use both languages in the Quebec courts. A group of Montreal lawyers have in fact challenged the language bill in the Quebec courts using that argument.

Mr. Lévesque denounced Mr. Trudeau's course as an exercise in "pure partisan politics." He has already rejected a compromise proposal made by Mr. Trudeau that the constitution should be changed to guarantee the right to schooling in English or French in all Canadian provinces, while allowing Quebec for a limited period to stick to its own legislation.

The proposal identifies what is the weakest point in the case against the language law; even after its passage Quebec provides more and better facilities for English tuition than any of the other provinces do for French.

Skirmish

A legal skirmish has already been fought in the Quebec courts about the language law. A superior court judge, hearing a case that had nothing to do with language, held on Thursday that it was unconstitutional to insist—as the language law did—that documents may be filed in French only.

In theory that could lead to a challenge of the entire provision concerning the language used in the courts, which would be heard in the Supreme Court of Quebec.

The fundamental intention behind the educational provisions of the language law is to ensure that new immigrants to Quebec join the French group rather than the English-speaking, a minority of some 20 per cent. English state schools in fact have enrolled a number of children who would not qualify under law; a figure of some 2,100 in Montreal has been estimated.

Mr. Lévesque has said that schools will be deprived of Government money in proportion to the number of children illegally admitted, and that their educational qualifications will not be recognised. But he has also said that for the time being at least he will not take more drastic action.

Assad says 'miracle' if war avoided

By HSIAN HIJAZI

BEIRUT, October 7.

PRESIDENT HAFEZ ASSAD of Syria believes it will take a miracle to avert another Arab-Israeli war. "If we do not fight in the future this will be a miracle," he said in an interview with the Beirut newspaper, al-Nahar.

The interview is to be published simultaneously to-morrow by the Paris edition of al-Nahar and the semi-official Damascus Daily Thaurat.

President Assad indicated that Syria was not completely satisfied with the joint declaration issued by the United States and the Soviet Union last Saturday. He said in an interview with the Beirut newspaper, al-Nahar, that the declaration did not include a reference to the Palestine issue.

A planned meeting between Israeli Foreign Minister Moshe Dayan and Soviet Foreign Minister Andrei Gromyko in New York was cancelled because the Russians refused to publicise it, according to Jerusalem Post, Beirut reports from Tel Aviv.

Quoting sources in Jerusalem, the paper said the meeting had been proposed by Mr. Gromyko, who insisted that it be unofficial and secret. It was dropped when Mr. Dayan demanded that the meeting be official and publicly acknowledged to be at Soviet initiative.

Liberation Organisation (PLO) even though it talked about the "legitimate rights of the Palestinians." Observers here took the President's remarks as an indication of Syria's insistence on PLO participation in a reconvened Geneva conference.

Analysts noted that Damascus must therefore have also been dissatisfied with the American-Israeli "working paper" which followed Israeli rejection of the American-Soviet communique. The "working paper" is being offered as a formula for reconvening the Geneva talks.

Mr. Abdel Halim Khaddam.

Mugabe says Smith must stand trial

By Our Foreign Staff

SALISBURY, Oct. 7.

MR. IAN Smith, the Rhodesian Prime Minister, will be put on trial when the Rhodesian Government accuses him of having ordered his army to commit "atrocious acts... brutal murders of civilians."

"Certainly he must be brought to trial. You cannot have rapport between the African and European community unless those who have caused immense suffering... are made answerable for their acts," he said in an interview here with UPI.

Referring to current peace negotiations, Mr. Mugabe said he would not like the U.S. to take part in Rhodesian settlement efforts. "The Americans are strangers to the constitutional dispute between us and Britain."

Although he emphasised that Mr. Smith would face unspecified charges, Mr. Mugabe said that "the general settler community should be free to participate in any constitutional arrangement. And should they want to stand for election, surely they should be free to do so. Our concept of society is that it has to be non-racial, with equal rights afforded to all."

Mr. Mugabe also said the Front wanted Britain to have only minimal power during the changeover from white minority to black majority rule. UPI.

Rhodesia reporting ban

By Our Foreign Staff

SALISBURY, Oct. 7.

THE RHODESIAN Government today prohibited newspapers from publishing information on people who have been deported under emergency security laws.

Eighteen people are known to have been deported from Rhodesia this year, seven of them missionaries. One of the most recent was an American nun, Sister Janice McLaughlin, Press Secretary to the Catholic Commission for Justice and Peace in Rhodesia which has accused Rhodesian troops of brutality against African civilians.

An Irish Roman Catholic priest, Father Paschal Siewin, who was expelled three days ago

U.S. jobless rate falls slightly in September

By David Bell

WASHINGTON, Oct. 7.

THE NUMBER of people out of work in the U.S. fell slightly last month but overall, the Labour Department said today, the job market has been "essentially flat" for the past six months.

Once again last month the jobless rate dropped below 7 per cent to 6.9 per cent, but even this decline was not sufficient to bring it any lower than the post-recession low of 6.9 per cent, which was also 6.9 per cent.

Organised labour will cite today's figures as a further compelling reason for fresh economic stimulus by the Administration next year, and there are signs that President Carter's economic policy-makers increasingly share these concerns.

However, the labour movement is more favourably disposed towards Mr. Carter than in the recent past, following approval of two key pieces of labour legislation in Congress. Last night the Senate supported the bill which would raise the minimum wage in the U.S. by 1981 to a more generous increase than the one passed earlier in the year by the House.

The precise increase must now be worked out jointly by the Senate and the House in a conference. Even closer to labour's heart was the Bill passed by the House last night which would reform the nation's labour laws and make it much easier to organise a new union.

Mr. Carter's spokesman said that it was an "outrageous Bill" which would give labour almost everything it wanted, but Democratic supporters of the Bill said it was "easily the most pro-labour Bill" for many years. However, it is not due to be considered by the Senate until next year and faces a tough fight there.

Commission to probe Irish police

By Giles Merritt

DUBLIN, Oct. 7.

THE IRISH Government announced today that it has appointed a three-man commission to investigate allegations of police brutality and recommend possible safeguards against the ill-treatment of suspects.

The decision follows an agreement between the Government and the Communist Party, which is a condition of the party's promise to support the Government's proposal to amend the Constitution to allow the State to take part in the Dublin Agreement to set up a police tribunal, but opposition to such a move from the Garda Commissioner is understood to have delayed the appointment of an independent commission.

Alleged Garda brutality, coupled with reports of finger-pointing and irregularities, became an issue in Ireland last February, when the Republic's most authoritative newspaper, the Irish Times, claimed that a specialist investigation unit known as the "heavy gang" had been set up to investigate alleged irregularities in the Garda Síochána, that was submitted to Mr. Jack Lynch, the Irish Premier, at the beginning of last month.

Amnesty at that time called on the Dublin Government to set up an inquiry into alleged "police brutality," but opposition to such a move from the Garda Commissioner is understood to have delayed the appointment of an independent commission.

The members of the inquiry team are former President of the Oireachtas, Mr. Justice O'Brien, the General Secretary of the Irish Confederation of Trades Unions, Mr. Ruairi Roberts, and a former Garda Commissioner, Mr. Patrick Mahoney.

They will conduct their inquiries at private hearings and will report directly to the Cabinet. There has been no official indication as to whether the Government will publish the findings in full.

Austrian payments deterioration

By Paul Lendvai

VIENNA, Oct. 7.

FIGURES released today by the Austrian Central Bank indicate a rapid deterioration of the country's external payments position. The current account deficit for the January to August period, which had been expected to be around 1.5 billion Sch. (830m.),

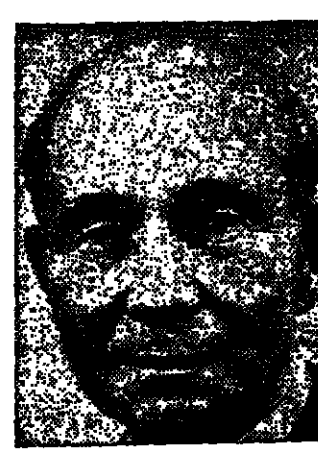
The overall balance of payments deficit jumped by more than 50 per cent, rising to 2.5 billion Sch. (1.37bn.). These figures do not yet reflect the effects of the recent speculative pressures on the schilling.

The deterioration of the payments balance was partly due to a 24 per cent rise in the visible trade deficit to an all-time peak of Sch.44.5bn. Though exports during the first eight months rose by 9.6 per cent of the same period of 1976, the import bill was up by 15.4 per cent.

Tourism, one of the traditional pillars of the external balance, failed to increase its net intake. This was due to a much faster rise in spending by Austrians abroad than the increase in gross revenue. Overnight stays by foreigners even dropped by 0.8 per cent to 65.5m. in the January to August period, compared to the same months of last year.

Kuznetsov elected Brezhnev's deputy

BY DAVID SATTler



Vasily Kuznetsov... will take pre-adoptive hand of Brezhnev.

VETERAN Soviet diplomat Vasily Kuznetsov was elected today to the newly-created post of Soviet Deputy President by the Supreme Soviet, the Soviet Union's nominal parliament.

Mr. Kuznetsov, 76, a former Ambassador to China and for 22 years First Deputy Foreign Minister, is expected to assume the duties of Head of State when they cannot be performed by the Soviet leader Mr. Brezhnev, who was named Soviet President in June.

The first indication that Mr. Kuznetsov, who is six years older than Mr. Brezhnev, was in line to be Deputy President was the announcement on Monday that he had been named a candidate (non-voting) member of the ruling Politburo.

The selection of a 76-year-old

who has never been regarded as a candidate to succeed Brezhnev almost certainly indicates that Mr. Kuznetsov in his new capacity will lighten Mr. Brezhnev's protocol load but that the power balance in the Kremlin has not been changed.

Mr. Kuznetsov, whose foreign policy experience is second only to that of the Foreign Minister, Andrei Gromyko, was introduced at the Supreme Soviet session by party ideologist Mikhail Suslov who praised his knowledge and "high technical experience."

He speaks fluent English, and is considered an expert on the United States and the United Nations. For many years he has been responsible for the day-to-day operation of the Foreign Ministry, and has frequently received high-level foreign

visitors in Mr. Gromyko's absence.

A metallurgist by training, who studied and worked in the United States during the early 1930s, Mr. Kuznetsov was appointed Ambassador in China in 1953 and then returned to Moscow to become Deputy Foreign Minister and then First Deputy Foreign Minister in 1958.

In 1969, he headed the Soviet delegation at the Sino-Soviet border talks, and became the Kremlin plenipotentiary in Czechoslovakia after the Soviet invasion of that country.

Although Soviet sources have said that Mr. Kuznetsov is a typically vigorous and energetic diplomat who has been recently say that he has been

Communist dominance enshrined in constitution

By Our Own Correspondent

MOSCOW, Oct. 7.

THE NEW Soviet constitution which is intended to formally enshrine the leading role in society of the Communist Party and stand as the fundamental law of a "developed socialist society" was approved unanimously today by the Supreme Soviet, the country's parliament.

The Soviet leader, Mr. Brezhnev, praised the new constitution as an "historic frontier line" and announced that several changes suggested in discussion of the constitution during the four-day Supreme Soviet session had been incorporated into the final text. These, like most of those accepted after a four-month period of "nationwide discussion," were minor changes in wording except for an amendment of Article 35, which deals with equal rights for women.

It states that the working time of women with small children will be gradually reduced.

Mr. Brezhnev, in his closing speech to the Supreme Soviet, said that the new constitution will not be a "stage prop" but will be "fulfilled in all its parts."

The constitution does not, however, alter the structure of the Soviet political or economic system and only gives legal confirmation to the Communist Party's leadership. However, it is a promise to reform the explanation that it reflects the needs of a state which has reached the stage of "developed socialism" may be intended less to change Soviet society than to justify it.

Succession issue skirted

BY DAVID SATTler

MOSCOW, Oct. 7.

THE PROMOTION of Mr. Vasily Kuznetsov to the new post of Deputy President is further confirmation that the Soviet Politburo would rather not think about who will succeed the Soviet leader, Mr. Brezhnev, despite preoccupation with the subject in the West.

At 76, Mr. Kuznetsov is not a serious contender to succeed to any higher post and his appointment has the entirely predictable effect of putting an end to speculation that the Deputy President is to be used to groom a successor to take over when Mr. Brezhnev steps down.

The Soviet Politburo has had three opportunities in the last year to promote a younger Politburo member into a position where he could gain experience preparatory to taking over the Soviet leadership. But in all three cases no younger man was moved up and the changes which did occur diverged as little as possible from the status quo.

The first unrealised possibility of a major change in the leadership which could have affected the succession came with the illness last summer of the Soviet Prime Minister, Mr. Alexei Kosygin, who reportedly suffered a heart attack near his summer home in August and was not seen again in public until October 18.

There was considerable speculation that Mr. Kosygin might be forced to retire or that a younger man would be promoted to deputise for him. But the only change which did occur was the promotion of Mr. Nikolai Tikhonov, 72, to the post of First Deputy Prime Minister, an apparent move to relieve some of Mr. Kosygin's work load. Mr. Kosygin, 73, reassumed his old position, however, with no official acknowledgement that he had even been gone.

It is now generally accepted that Mr. Kosygin suffered either a heart attack or a stroke last summer, but the available indications from Soviet sources suggest that Mr. Kosygin not only did not intend to retire, but that his Politburo colleagues did not want him to. According to one unconfirmed report, Mr. Brezhnev several years ago refused to consider Mr. Kosygin's desire to retire for fear of the president it would set. The decisions concerning Mr. Kosygin's future, made last October, in any case were clearly designed to minimise change.

The second opportunity in the last year to promote a younger man to a position of prominence and visibility came with the removal in June of the Soviet President, Mr. Nikolai Podgorny. The removal of Mr. Podgorny was completely unexpected in Moscow because it came at a time when he was playing a highly active role as Soviet emissary and negotiator with other Heads of State.

The very unexpectedness of the removal of the man who had been Soviet President since 1965 suggested the possibility that the Soviet leadership had made a fundamental decision to provide for the future and was creating an opening so that a younger man could be promoted to one of the three top leadership positions. It turned out, however, that the vacancy was created so that Mr. Brezhnev could assume the Presidency and add to his considerable collection of titles. The succession was not at stake.

The promotion of Mr. Podgorny was the most significant change in the Soviet leadership in the last 43 years. (Only four other Politburo members have been dropped since the Brezhnev-Kosygin "collective leadership" assumed power in 1964. A fifth, Marshal Andrei Grechko, died in the

spring of 1970.) But the change was motivated by internal Politburo political considerations which appear to be the primary reason for planning for the country's future. Mr. Brezhnev is now the Chief of State and Chief of Party, but this has not made the future of the country more clear.

The third opportunity to promote a younger man came when presented by the creation of the new post of Deputy President in the constitution ratified yesterday. There was speculation that Mr. Vladimir Shcherbakov, the head of the Ukrainian Communist Party, who recently received his second Herold Socialist Labor Award, might be moved up, but instead the job went to Mr. Kuznetsov, 77 years his senior.

The appointment of Mr. Shcherbakov to the Deputy Presidency might have been seen in the West and, more importantly, in the Politburo itself as the first step toward the choice of a successor to Mr. Brezhnev. Even with this possibility, the Politburo gave the post to a man who could not be regarded as a future leader. The amount of change was once again held to a minimum.

If Mr. Brezhnev died in office or is forced by illness to retire, it is entirely possible that his heir would not be a young man at all but rather Mr. Andrei Kirilenko, 71, who deputised for him now. Mr. Kirilenko receives lavish honours on his 70th birthday and is regarded in the past as Mr. Brezhnev's second-in-command. His appointment would of necessity be of short duration because of his age, but occupies a key position for the kind of political skill within the Politburo which could follow an attempt to destitute a long-term successor.

Mr. Brezhnev, before Mr. Brezhnev is gone.

Belgrade friction averted

BY REGINALD DALE, EUROPEAN EDITOR

BELGRADE, Oct. 7.

EAST AND WEST cleared the public opinion in the U.S. The very extent of the harmony between the two superpowers is beginning to worry some of the smaller countries at the Conference, which is being attended by all European countries except Albania, plus the American condemnation of East-West human rights violations, collusion between Moscow and Washington to ensure smooth progress here.

The suggestion is that the two superpowers are trying to keep the Belgrade Conference a low-key event so as not to jeopardise the conclusion of a new Strategic Arms Limitation Agreement (SALT) and Middle East peace negotiations.

Hungary, the first Eastern country to speak following yesterday's U.S. statement on human rights, attempted to turn the tables to-day by pointing to Western visa restrictions on East European citizens. It was easier largely to the need to satisfy

than for Hungarians to go to some West European and North American countries, Mr. Janos Petran, the chief Hungarian delegate, told the conference.

He called for a simplification of Western visa procedures, adding that "some countries," presumably in the West, had violated "the human rights provisions of the Helsinki Agreement. The West has also practised discrimination against the East and conducted propaganda campaigns accompanying military manoeuvres, he charged.

Meanwhile, controversy over yesterday's British opening statement rumbled on, with U.K. officials denying suggestions that they had adopted an excessively low profile on human rights. The British maintain that their contribution was in line with the position of other EEC and NATO nations, who have condemned East bloc human rights violations.

Australian car industry lay-offs

By Our Foreign Staff

MELBOURNE, Oct. 7.

AUSTRALIAN car manufacturers laid off 15,000 workers to-day because of a crippling strike by power station employees in the country's second most populated state of Victoria.

Hopes of the strike ending faded earlier when talks broke down between power station maintenance workers, the state Government and the country's arbitration commission, which settles wages disputes.

An eight-week strike by 2,300 maintenance workers has halted electricity supplies in Victoria, bringing industry to a halt and forcing a state of emergency to be declared.

Australia's largest car manufacturer, General Motors Holden, announced 11,000 workers at plants throughout the country had been laid off because parts manufactured in Victoria had run out. The country's third largest manufacturer, Chrysler, laid off 4,000 of its workers were suspended for similar reasons.

The maintenance workers want a pay rise of \$440 (£26) a week, Reuter.

British mission studies China export prospects

By Our Foreign Staff

PEKING, Oct. 7.

REPRESENTATIVES of leading British companies have concluded talks in Peking on how to increase sales to China by finding out what the country wants to buy.

The group is the Sino-British Trade Council Mission to China and its leader, Lord Nelson, Chairman of GEC, said today that it had been agreed in talks with Chinese officials that there would be an increased exchange of information.

The mission has been in China about a week, and is due to make a brief visit to Shanghai before returning home.

It will be leaving before the opening of the Canton Trade Fair on October 15.

Optimistic view of French economy

By David Curry

A FORECAST of French economic performance in the year to next summer which is notably more optimistic than many recent surveys has come from the National Statistics Institute, INSEE.

Its basic message is that the worst is generally over, and from now on the economy, as measured by the conventional indicators, will improve. In particular, it thinks exports of manufactured products will increase by 7 per cent, thanks to an improvement in world trade, and that industrial production will grow by 3 per cent, which, if it will not do much to dent unemployment, will at least be sufficient to prevent any further rise.

EEC hopes to cut farm prices

By Robin Reeves

BRUSSELS, Oct. 7.

THE EUROPEAN Commission would like to recommend a further reduction in the market farm prices in real terms at the next EEC annual farm price review, Mr. Frans Godechuck, the Brussels Commissioner for agriculture, suggested here to-day.

He told a meeting of the EEC's consumer-sensitive committee that in his view, only by adopting "a less agricultural policy" could the CAP, and thereby the Community as a whole, survive.

Mr. Godechuck said he thought the policy initiated this year of raising EEC farm prices in real terms—yet increased by only 3.5 per cent on average—would have to be pursued for several more years. Support for small, less efficient farmers would have to come from the taxpayer through regional and social policies, rather than from the consumer paying higher prices in the shops.

Japan business growth doubts

By Michael Sinden

THE JAPANESE business is less optimistic than the Government about the prospect for the economy, it was stated yesterday by a senior Japanese banker.

Mr. Masuoka Kashwagi, president of the Bank of Tokyo, said in London that the Government was confident that the recent economic package, including a large injection of spending power and a cut in interest rates, would make possible 6.7 per cent growth in the current financial year.

Mr. Kashwagi said that business men in Japan felt that the stimulus provided by the Government was not enough to boost production and business capital investment.

Even if the 6.7 per cent target were met, he added, there would remain a deflationary gap of about 10 per cent in the economy, and the problem would remain of so-called structurally depressed industries such as textiles, shipbuilding and open-hearth electric furnace steel.

Reuter adds from Tokyo that Japan's seasonally adjusted August unemployment rose to 1.5m. from a downward revised 1.4m. in July.

GENERAL SHOPPING S.A. Société Holding Internationale pour le Commerce de Détail Registered Office: Luxembourg, 5, Boulevard Royal Notice is hereby given that the ANNUAL GENERAL MEETING of General Shopping S.A. will be held in the conference room of Banque Internationale à Luxembourg S.A., 2, Boulevard Royal, Luxembourg, on 26th October 1977, at 11 a.m. AGENDA 1. Report of the Board of Directors and Statutory Auditors on the business year ended 30th June, 1977. 2. Approval of the Balance Sheet and Profit and Loss Account for the business year ended 30th June, 1977. 3. Application of the Net Profit. 4. Discharge of the Board of Directors and the Statutory Auditors. 5. Elections. 6. Miscellaneous. The resolutions on the agenda of the Annual General Meeting do not require a special quorum and will be passed by a simple majority of the votes of the shareholders attending, with the proviso that no person is entitled to vote for himself or by proxy for more than one-fifth of the issued share capital or two-fifths of the share capital present or represented at the Meeting. Holders of bonds issued by the company are entitled to attend the Meeting, but without voting power. In order to be entitled to attend the above General Meeting the shareholders—according to Article 37 of the Articles of Incorporation—must deposit their share certificates at least 5 days prior to the Meeting (in this case on Thursday, 20th October at the latest) with the bank mentioned hereafter. Against deposit of share certificates the following bank in the United Kingdom will then issue entrance cards for the Meeting: Williams and Glyn's Bank Ltd., London as well as all other banks assuring the financial service for the company in other countries. Luxembourg, 29th August, 1977. For the Board of Directors: R. H. Lutz, Chairman



# Home heating

More than ever before the U.K. consumer is price-conscious when it comes to central heating. Insulation, efficiency and long-term fuel prospects are all part of the purchasing dilemma.

## Winter warm-up

BY MICHAEL CASSELL

THE SEASON of falling temperatures and rising heating bills is upon us. Surreptitiously but surely the nights draw in, the first frosts arrive and the home for the next few months is expected to become a haven of warmth and comfort.

No-one needs reminding of just how much more expensive those home comforts have become since the crisis of 1973, when oil prices shot up and the conservation of all forms of energy became the major world priority.

The present cost of keeping a home warm, whichever form of fuel is used, could not have been contemplated four short years ago and it is no longer merely a matter of which is the cheapest and most convenient system available; there is something of a genuine moral as well as a financial obligation on the part of individuals as well as governments to ensure the maximum degree of efficiency in order to produce the minimum amount of wastage.

In one respect, the consumer

is fortunate. He has a range of alternative fuels and heating systems which may be diverse enough to be confusing but within which the needs of most people can be met.

The principle choices lie between gas, electricity, oil and solid fuels and the promoters of each will blind the potential purchaser with a catalogue of facts and figures intended to demonstrate that their product works out to be the cheapest, most economical, efficient, clean, warm-giving alternative on the market. Suffice it to say that they all have their strong points, as well as their disadvantages, and the consumer has to give a little bit of thought to his own requirements, so that they can be matched to a suitable heating system.

A few general tips to begin with: if you require heat for only an hour or two at a time it may well not be worth your while installing an expensive system, and during the autumn and spring in particular a gas

### BUYER'S GUIDE

The benefits of electric heating in the home form the crux of a new campaign just launched by the Electricity Council. The Council, will heaters, warm-air among other things attempt to clear up many of the misconceptions about electric home heating.

Off-peak tariffs are apparently here to stay and there is, the Council emphasises, no truth in any suggestion that they will be phased out. Substantial cost savings with the use of night-rate electric power will remain, if only because the system enables power stations to work around the clock and operate more efficiently.

Clearly worried about the prospects of customers changing over to other systems, the Electricity Council tells anyone contemplating the change to forget it, because it claims the householder is unlikely to achieve an economic return on his investment. If only a part of the money a customer would have spent on a new system is spent, the Council claims, on thermal insulation, immediate cost savings are possible.

Electricity's campaign will centre largely on the benefits of storage radiators, first introduced in 1962 and the most popular form of electric central heating. Over 4m. have been installed. Their popularity stems from the low outlay for installation and the ease with which further radiators can be added. There is no denying, however, that storage heaters are bulky and are really best suited to providing background warmth rather than a heat source that people could sit by, despite the fact that most popular forms of electric control which releases additional heat at set times during the day.

The Electricity Council says that for the householder without any central heating who wants to improve comfort in his home at minimum initial cost, a package comprising two storage radiators, plus a programme of thermal insulation, is likely to cost under £400, a saving of a

"Do part of the work. Save a lot of the cost."



## Fully assembled double glazing at DIY prices.

There's no better way of giving your house all the benefits of double-glazing than by fitting Budget Warmlife.

Warmlife is a complete, architect-designed double-glazing system. Yet it is so simple to fit that you can do it all yourself. Thereby saving all installation costs.

A Warmlife system, made to fit exactly inside your existing windows, is delivered to your door already assembled and glazed. From there on, all you normally need is a screwdriver and the ability to use it.

And what do you get for your money and efforts? A cooler, quieter home with fewer draughts and smaller fuel bills. If you'd like to find out more, send off the coupon. We think you'll find that, whatever sort of windows you have, there's a Crittall Warmlife double-glazing system tailor-made for you.

Other Crittall Products. Aluminium Warmlife double-glazing and Warmlife aluminium replacement windows, made-to-measure and fitted by skilled teams nationwide.

**FREEPOST No stamp needed**

To Crittall Warmlife Ltd., FREEPOST, Crittall Rd., Witham, Essex CM8 3AW.  
Telephone 0375 (Witham) 513481 (24 hour answering service).  
Please send me your FREE colour brochure.  
I am particularly interested in:  
 Double Glazing  Replacement Windows  Patio Doors

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Tel: Day \_\_\_\_\_ Evening \_\_\_\_\_

**5 YEAR EXTENDED PAYMENT PLAN**

**Crittall** 47c8/10  
You can't buy better. Why pay more?

**Megafoam Cavity Wall Insulation**

THE SPECIALISTS.  
FREEPHONE 3091

**PART OF OUR RANGE OF Fan Heaters: Domestic, Commercial and Industrial**

<b>BIANCO</b> Bathroom Kitchen	<b>WARM AIR CURTAIN</b> Shops Offices etc.
<b>INDUSTRIAL</b> Offices Shops, Factories etc.	<b>INKA</b> Home Office

**BUSH NELSON**  
Bush House, Yattendon Road, Herley, Surrey.  
Telephone: 02934 5482.

**CELCON BUILDING BLOCKS**

FOR BUILT-IN THERMAL INSULATION! reduces heat loss and fuel bills.

For further information contact—  
**CELCON LIMITED**  
129 Kingsway, London WC2B 6NU  
Telephone: 01-405 8767 Telex: 263708

**"Rentokil Insulation? I am completely satisfied"**

says Mr G.A. Heslop of Gloucester

Fed up with rising oil prices, Mr Heslop commissioned Rentokil to insulate his house during the autumn of 1974. Here's what he thinks of our unique dry fibre material:

"I'm saving approximately 25% per year on quantity of oil purchased. With inflation the way it is, the insulation will have paid for itself in 5 years—which is even better than I expected."

Coal, electricity, gas, oil—cut your costs and increase comfort with Rentokil's dry cavity filling insulation (unique because it's dry—not foam), 30 year guarantee. No VAT, and payments can usually be tacked on to your mortgage. Rentokil have also now arranged with a leading finance house for special low interest terms that make our insulation an even more attractive proposition. FREEPOST the coupon for details...

**RENTOKIL LTD., FREEPOST 30, LONDON W1E 7JZ**

I would like more information about Rentokil cavity wall insulation. I am interested in your insulated windows and dry fibre insulation.

Name \_\_\_\_\_ 8109  
Address \_\_\_\_\_  
Telephone \_\_\_\_\_

**RENTOKIL Insulation**

## The loss that goes unseen

THE STING may well have gone out of the "Save It" campaign launched by the Government back in the dark days of the oil crisis, when the shop lights went out and queuing for petrol was all the rage. But there is no reason why the same principles of conservation and careful use of expensive fuels should not apply to-day, particularly in the home where we have to foot the bill.

For, without careful thought, a great deal more than coal can go up in smoke. The experts tell us that in a typical home, 25 per cent of heat is lost through the roof, 35 per cent seeps out through the walls, another 10 per cent makes for the windows and the rest gets swept away in draughts or burrows through the floorboards into the ground. All the heat, of course, eventually disappears one way or another and it's simply a matter of hanging on to it as long as we can—unless you really do wish to keep the pigeons' feet warm.

Insulation is the answer and while the subject may strike most householders with just about as much enthusiasm as work on a Monday morning, the potential cash savings might help stimulate some interest.

Compare the cost of insulation with the amount of money you are now spending on heating. You only have to spend money on insulation once but you will save money on every heating bill from then on.

And don't forget that when you open those bills you will in any case be entitled to a warm glow, not only because they will be smaller than in the past but because you can hold your head up high and say that you are doing your little bit to help the nation. The fact is that about 70 per cent of the energy supplied to the U.K.'s homes is used for space heating, whatever fuel is used, equivalent to nearly 68m. tonnes of coal each year or about 30 per cent of the total energy used in this country. The scope for savings on a large scale through individual effort is clearly enormous.

The trouble appears to be convincing people to lay out good money on rolls of this and sheets of that to fit in here and squeeze under there, none of which seems to bring any direct return. It certainly takes an act of faith to invest funds on laying insulating material in the roof, for example, where it will never be seen unless someone goes for Grandma's trunk. And how can you really be sure that it will, in the long run, save you money?

Well, again the experts say that for a modest outlay—as low as £35 for materials to do a three-bedroomed, semi-detached house—the householder can cover his loft and recoup the cost within two years.

But if you are going to insulate the roof space make sure you do it properly and put down at least a three inch layer of material. Mineral fibre insulation comes in rolls and



works rather like an elderdown, trapping the air to provide a heat barrier. Other methods of roof insulation include expanded polystyrene impregnated fibre insulation board (if you can remember its name), rigid polyurethane and expanded, laminated plasterboard. These materials are actually fixed to the rafters but they should be installed by experts whereas fibrous materials can easily be laid by the occupier.

Next, the walls, through which most of that expensive heat disappears. The main purpose of cavity walls is to prevent rain penetrating to the inner leaf or wall, but heat losses through them can be cut considerably by filling the gap with special insulating materials. It's expensive and has to be done professionally and you must also get permission from your local council before work goes ahead. Many installers give guarantees of up to 30 years on their work.

The installation involves the pumping of a foam resin or mineral fibre. Holes are drilled in the brickwork at regular intervals through which the material is pumped.

Cavity wall insulation forms a highly efficient heat barrier and, if expertly carried out, is unlikely that any moisture could invade from the outer leaf. The work takes about a day to complete and costs from around £180 upwards.

Existing properties with solid walls can also be insulated but not quite so easily. Lining the walls with an insulating material with a vapour barrier on the warm side prevents the penetration of warm, moist air, which otherwise condenses on the inner, cooler surface. One way of doing this is to fix batons to the wall and fill in with slabs of glass fibre, held in place by the moisture barrier material. This method is usually suitable for older homes being converted or modernised but advice is needed from a building or insulation specialist.

As for floors, insulation here is rarely given a moment's thought and most people are content to make do with a carpet and an ample underlay. For really effective insulation, some form of insulating material such as glass fibre should be placed below the floor surface. With suspended floors,

## Home is where your heat is



Put heart into your home this winter with Myson central heating equipment.

Myson make the most of your central heating, from boilers, pumps, radiators and fan convectors, to towel rails and valves.

Modern manufacturing techniques make our equipment the best you can get. And you can get it at all good builders' merchants nationally.

**MYSON**

**warm hearted heating**

Myson Group Marketing Limited, Merchant Division, Ongar, Essex. CM5 9RE Tel: Ongar 2255 Telex: 99356



HOME NEWS

Tories plan attack on marginal seats

BY RUPERT CORNWELL, LOBBY STAFF

IN SHARP contrast to Labour and its decaying internal structures, Conservative Central Office agents in the field have jumped apart from the suits sent to the past year from 316 to 310, and their training cover their own running costs.

Mr. William Clark, Conservative deputy chairman and MP for Croydon South, said that the party's own efforts were responsible for only one-fifth of the £6m. raised in all made donations for the first time by the party in 1976-77. The main source was again cover-age of £200.

Magazine will examine work at local councils

FINANCIAL TIMES REPORTER

A MAGAZINE on developments they will form a part of the in local authority management formulation. The development of local government services, says Professor Thornhill, has proceeded at such a pace that costs, efficiency and effectiveness have about twice or three times a year and will be edited by Professor W. Thornhill, senior lecturer in political theory and institutions at Sheffield University.

Government pressed to take urgent energy-saving steps

BY RAY DAFTER, ENERGY CORRESPONDENT

AN IMPORTANT sector of the U.K. insulation industry, now involved in a £35m. expansion programme, has called on the Government to take urgent energy-saving measures. The Association of British Manufacturers of Mineral Insulating Fibres claims that it faces a problem of over-capacity, having been let down by the Government.

Members say that in spite of installing extra capacity, largely at the behest of the Department of Energy, demand for their products fell last year by about 7 per cent, against increases everywhere else in Europe.

Sales fall

The U.K. industry, which essentially comprises Cape Insulation, Fibreglass and Newalls Insulation Company, was the only one in Europe to see sales fall last year. Between them, they supply the vast majority of lost insulation material, for instance.

Table with 4 columns: Year, Sales ('000 cubic metres), % change, and another column. Rows include 1974, 1975, 1976, 1977, and a TOTAL row.

Carter speeds British Airways cargo plea

BY JOHN LLOYD, INDUSTRIAL STAFF

IN ANOTHER intervention in favour of British Airways, President Carter yesterday held an appeal by the airline against a ruling by the U.S. Civil Aeronautics Board.

The effect of the President's move is to force the Board to rule in three months' time, or whether or not to allow BA to offer contract rates for cargo handling. The Board had previously suspended judgment for one year.

Shell and BP face £4bn. Zambia claim

BY KEVIN DONE, CHEMICALS CORRESPONDENT

SHELL and British Petroleum and 15 other companies have issued writs by the Zambia Government seeking damages of more than £4bn.

The companies, which include five of the Western oil majors, are accused of taking part in a conspiracy to deprive Zambia of oil worth more than £4bn.

Pit research pinpoints work delay problem

BY OUR INDUSTRIAL STAFF

THE MAIN problem facing the coal industry is the elimination of delays in working systems, according to the report of the National Coal Board's Mineral Research and Development Establishment, published yesterday.

Small investor 'makes little use of information'

PRIVATE shareholders make very little use of the information available to them, and the information they do use is poorly understood, according to a report published by the Institute of Chartered Accountants in England and Wales.

Scheme to halt ferry losses

P AND O Normandy Ferries announced yesterday plans to streamline its fleet which will, it is hoped, eliminate the losses on the Southampton-Le Havre route.

Fears on PVC hazard allayed

By Our Chemicals Correspondent

THE HAZARD to workers employed in the manufacture of polyvinyl chloride (PVC) might not be as great as was first thought, says a preliminary report published yesterday by the Health and Safety Executive.

Widespread concern was first expressed in 1974 about the gas VCM (vinyl chloride monomer), which is used in the manufacture of PVC. Medical reports from the U.S. indicated that workers engaged in the industry were at risk from developing liver cancer.

Reduced

There was no indication of it having arisen by swallowing minute amounts of VCM, for example, from plastic food wrappings.

Urgent action was taken in the British chemical industry when the U.S. findings were published in 1974 and the levels of exposure to VCM were drastically reduced in the plants of BP Chemicals at Barry and Becton Bay, ICI at Runcorn and Hillhouse, British Industrial Plastics at Avefield, and Vinalux at Slaveley.

The report says it was possible to examine in detail 37 of the 47 cases where the cause of death could be agreed definitively as liver cancer, full occupational and residential case histories were obtained for 12.

The Employment Medical Advisory Service said yesterday that the report gave grounds for hope that VCM would turn out to be less of a cancer risk than was supposed.

The survey has been extended to cover all known cases of the cancer that have occurred since 1973 and a full survey is being made of all the causes of death among workers employed in the PVC industry.

Date set for Callaghan's German trip

MR. JAMES CALLAGHAN, the Prime Minister, will pay an official visit to West Germany on October 18.

The visit was to have taken place last month, but was postponed because the German Government was preoccupied with kidnap negotiations. This is the latest of government meetings between the two countries. Dr. David Owen, the Foreign Secretary will take part.

Redifon closing Welsh factory

BY CHRISTOPHER DUNN

WELSH HOPES of expanding business and labour prospects in the principality have suffered a setback with the announcement that Redifon Telecommunications is to close its new factory at Cwmbran, near Gwent, which employs 242 workers.

The operation will be phased out over the next six months. Although the exact number of redundancies is not yet known, only a few of the Cwmbran workers will be transferred to the Redifon factory in Wands-worth, London.

When the Cwmbran factory, built with Government aid, opened in June 1974, Redifon hoped to expand the workforce to 1,000.

Mr. William Robertson, managing director of the company, which is a subsidiary of Redifon, blamed the closure on a shortfall in projected demand and orders for the Redifon range of telecommunications instruments.

He said: "We were looking for a 15 per cent increase every year, but orders from 1973 onwards for the company as a whole. This would have taken turnover up from £3m. to about £15m. But by 1977 sales were still only about £10m. Sales at Cwmbran were about £2m."

New Ulster party wants independence

BY OUR BELFAST CORRESPONDENT

A NEW political party which will press for British withdrawal from Ulster was launched in Belfast yesterday. The Irish Independence Party has been formed by Mr. Frank McManus, a former MP for Fermanagh-South Tyrone, and a number of former prominent members of the Nationalist Party.

Mr. McManus and Mr. Fergus McAtteer, joint chairmen of the new group, said it would attempt to convince people that the British presence in Ireland was the root cause of social and economic ills.

At a Press conference they said they sought a British withdrawal by non-violent means, and as a first step they believed the Dublin Government should make a clear call for British disengagement.

The forerunner of the new group, the Nationalist Party, has almost faded out of Ulster politics in recent years and there is no evidence that the new party will draw any great support in the immediate future. But its formation reflects a growing disenchantment among minority politicians at the lack of progress towards any meaningful new political institutions.

Mr. McManus said that the British Government should call an election to an all-party conference in Ulster which would then seek agreement on the political structures to follow a withdrawal.

Irish police doctors hint at interrogation disquiet

THE CONTROVERSY over some of the police doctors' views, and then alleged police brutality in Ulster, grew stronger yesterday when the police doctors revealed that they would meet the Chief Constable of the Royal Ulster Constabulary next week.

The Police Surgeons' Association in the province gave some support to the strong disquiet about the police interrogation methods which had been voiced on Wednesday by the mainly Roman Catholic Social Democratic and Labour Party. The association said: "We have seen some things we are not at all happy with."

It would not, however, expand on its remark. It said it would discuss its views, and then alleged police brutality in Ulster, some "hard and fast talking" with Mr. Kenneth Newman, the Chief Constable, was "of the cards."

Mr. Newman has denied the SDLP claim that brutal police methods are being used with his knowledge. He said that of the 1,500 people questioned by police in Belfast, in the first nine months of this year, 215 had made complaints, but in only one case had a police officer been charged with assault by the Director of Public Prosecutions.

The SDLP claimed that police doctors had files which showed that terrorist suspects were often injured during interrogation.

Tesco bets on cheaper coffee. THE TESCO supermarket chain 50p. is delaying coffee purchases to rebuild depleted stocks in anticipation of a substantial fall in the market price.

M&G RECOVERY FUND advertisement. Includes text about financial recovery, investment options, and contact information for M&G Group Ltd.

NEWS ANALYSIS - THE HITACHI ISSUE The invaders: a new TV drama

BY MAX WILKINSON

THE QUESTION whether Hitachi should be allowed to set up a television manufacturing plant in the U.K. has begun to raise issues of principle on general industrial strategy.

The opposition has become embarrassing. When the Government started talking with Hitachi last year it appeared that the application to start a factory for 70,000 sets a year in Washington, County Durham, would be repaid favourably.

Hitachi has said that where possible up to 70 per cent of its sets will be made from U.K. components. Subject to availability, it is prepared to buy tubes from Mullard, the only U.K. manufacturer. It is not yet completely clear, however, whether Hitachi will be able to redesign all its models to accept the Mullard tube.



HOME NEWS

Swan Hunter wins £5m. order for waste ship

SWAN HUNTER has overcome a strong foreign challenge to win a £5m. contract for its Hebburn shipyard on the Tyne to build a 3,200-tonne twin-screw vessel to carry irradiated nuclear fuel.

Ford in Stirling engine project

By David Freud, Industrial Staff

THE FORD Motor Company has signed an eight-year contract with the U.S. Energy Research and Development Administration to bring the Stirling engine to the pre-production stage of application to passenger cars.

THE LABOUR PARTY AT BRIGHTON

Demand for takeover powers

BY IVOR OWEN, PARLIAMENTARY STAFF DEMANDS THAT the National Enterprise Board should be given compulsory powers of acquisition backed by an annual budget of £1bn. were vigorously endorsed by delegates on the final day of the Labour Party conference at Brighton yesterday.

Nuclear move 'unreal'

By John Hunt, Parliamentary Correspondent

AN ATTEMPT to get Britain to abandon nuclear weapons and close its nuclear bases was shelved by the Labour Party conference yesterday after warnings that such a move would jeopardise President Carter's initiative for multilateral nuclear disarmament.

Multinational curbs sought

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE NATIONAL Executive Committee document calling for tighter control over the activities of multi-national companies in Britain was approved by the conference without a debate.

Tarling extradition plea for Lords

THE HOUSE of Lords will be asked next week to hear appeals over the extradition to Singapore of Mr. Richard Tarling, 42, former chairman of Haw Par Brothers International.

Journalists protest over barred colleagues

THE LABOUR Party's decision to exclude two Westminster Press journalists from the Labour Party conference was criticised yesterday by Mr. David Harris, political correspondent of the Daily Telegraph, when he replied to the vote of thanks to members in a closed shop dispute.

Students stop apartheid protest against Barclays

THE OPENING of Barclays Bank's international branch in Aberdeen yesterday, which was intended to coincide with the opening of a branch in Houston, went ahead despite the threat of an occupation and picketing from students protesting against apartheid.

Bulk liquid companies set up association

BY JAMES McDONALD

TWELVE British-based independent bulk liquid storage companies have formed a new organisation—the Independent Tank Storage Association—to represent their industry and provide a collective approach to subjects including safety standards, health and environmental protection.

Wool chiefs seek Jay's help in tariff fight

YORKSHIRE'S wool textile industry has asked the British Ambassador in Washington, Mr. Peter Jay, to press its case against the punitive United States tariff on its wool cloth exports.

Grunwick to sue Ministers

GRUNWICK has issued writs of habeas corpus against the picket line outside the factory demanding a new Secretary, and Mr. Denis Howell, Secretary for Sport, over remarks alleged to have been made about the company while they were on strike.

Plan for 'big nine' cities

A LIMITED restoration of the 'Big Nine' former county boroughs—they include Bristol, Nottingham, Derby, Hull and Plymouth—is being planned by the Government.

Sotheby's advertisement featuring various art categories: IMPRESSIONIST, MODERN AND CONTEMPORARY PAINTINGS (£15,225,000), PRINTS (£2,180,000), 18TH, 19TH AND 20TH CENTURY PAINTINGS (£13,295,000), OLD MASTER PAINTINGS AND DRAWINGS (£9,150,000).

Sotheby's advertisement for 1976/77 SEASON SALES, including categories: JEWELLERY (£17,250,000), FURNITURE, TAPESTRIES, RUGS AND CARPETS (£15,700,000), VICTORIAN AND LATER WORKS OF ART AT BELGRAVIA (£6,150,000).

Sotheby's advertisement for 1976/77 SEASON SALES, including categories: CLOCKS AND WATCHES (£1,400,000), HOUSE SALES (£6,185,000), FURNITURE, TAPESTRIES, RUGS AND CARPETS (£15,700,000), SILVER AND PEWTER (£4,870,000).

Sotheby's advertisement for 1976/77 SEASON SALES, including categories: COINS AND MEDALS (£1,450,000), ARMS AND ARMOUR (£850,000), ANTIQUITIES (£2,120,000), CHINESE WORKS OF ART (£5,370,000).

Sotheby's advertisement for 1976/77 SEASON SALES, including categories: MISCELLANEOUS WORKS OF ART (£647,000), BOOKS AND MANUSCRIPTS (£7,500,000), EUROPEAN PORCELAIN (£1,750,000), JAPANESE WORKS OF ART (£2,700,000).

Sotheby's advertisement for 1976/77 SEASON SALES, including categories: VINTAGE CARS (£85,000), STAMPS (£300,000), GENERAL ITEMS AT F84 NEW YORK (£3,450,000), WINE (£1,250,000).

Advertisement for 9.3% per annum paid quarterly on ALL EQUITIES.

Advertisement for Schlesinger Extra Income Trust, highlighting quarterly dividends and a fixed price offer.

Table showing quarterly dividends for Schlesinger Extra Income Trust with columns for Initial investment, Dividend, Quarterly gross income, and Your net cheque every 3 months.

Advertisement for A current opportunity, discussing the selection of sound stocks and the potential for high returns.

Advertisement for A fixed price offer, detailing the offer price of 31.1p and the closing date of October 19.

Form for Schlesinger Extra Income Trust, including fields for name, address, and investment amount.



# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY  
Telegrams: Finantime, London F84. Telex: 836341/2, 853897  
Telephone: 01-248 5000

Saturday October 8 1977

## Markets and sterling

AFTER THEIR hectic activity of the previous weeks, both gilt-edged and equity markets fell quiet on profit-taking and the onset of the Labour Party conference. But the underlying influences at work remain unchanged and the undertone in both markets is firm. The Labour Conference went reasonably well, so far as overseas observers were concerned; despite general uneasiness about the level of unemployment and widespread calls for immediate economic stimulus, the delegates in general were sufficiently aware of the approach of a general election to endorse the Government's gradualist approach.

### Limited scope

This was spelt out once again by Mr. Healey on the first day of the conference. He claimed that the corner had now been turned and that living standards would now begin to rise again as the rate of inflation fell. But he stressed the dangers of rekindling inflation, to the obvious disappointment of those who wanted a large immediate stimulus to demand. Something would be done soon, but its scope would be limited by the guidelines agreed with the International Monetary Fund; he hoped to do more in the Budget, but that would depend on the way in which pay settlements developed in the meantime.

### Pay target

His caution is supported by the few economic indicators to be issued during the week. The Price Commission, it is true, which compiles a forward-looking price index based on advance notifications made to it, has announced that inflation was down to an annual rate of increase of only 7.5 per cent during the six months to September, a sharp fall; but this is partly due to the fact that many firms increased prices as far as they could under the old system of control before the new came into operation, and the increase in the retail price index itself is likely to slacken steadily but far less dramatically over the next few months. Real incomes, however, will begin to rise again and this in turn may set off both a drop in the savings ratio and a rise in capital investment.

What happens to inflation and real incomes after the spring depends largely on the average

size of wage settlements—hence Mr. Healey's statement that this will be one of the main factors determining how much he can cut taxes in the spring budget. The Prime Minister, too, devoted a large part of his conference speech to an appeal for observance of the Government's pay guidelines, and he and other ministers are much concerned about the negotiations at Ford, a company which will be difficult to bring into line with the officially recommended 10 per cent, by threats and whose example could infect others.

### Gilt outlook

What Mr. Callaghan, in particular, does not always recognise however, is that the 10 per cent increase in earnings at which ministers should be aiming is an average; some firms will pay more, some less than the eventual average, and it is damaging to imply that if one large firm pays more the policy will be undermined. It is much more important to maintain firm overall limits in the monetary and public spending fields while reminding negotiators on both sides of industry of what they knew very well before their instincts were blunted by official controls, that the capacity of an individual firm to pay more must be governed by its individual circumstances.

### Ford claim

What effect next week's Ford settlement will have on sentiment in the foreign exchange market remains to be seen. The official reserves turn out to have jumped by another \$2.3bn. last month, only a minor part of which was due to official borrowing. The reserves are now more than four times their size at the end of last year and the inflow of foreign funds (due partly to weakness of the dollar) is continuing on a scale which is a threat to internal monetary control and an embarrassment to the authorities. One of the several possible ways of checking the flood would be a further and sharp drop in interest rates. It may be significant that MLR fell by another 1 per cent yesterday and that there is talk of another fall next week—the new stock market issue was announced yesterday is not an ordinary tap stock, meant to restrain the market. If there is another major advance in gilt-edged equities are unlikely to remain unaffected.

# The return of the old airport saga

BY MICHAEL DONNE, Aerospace Correspondent

THE unfinished saga of what to do about the growing volume of air traffic moving into and out of London and the South-East of England has been given a new twist as a result of the Government's decision to block plans by the British Airports Authority to go ahead with a fourth passenger terminal at Heathrow Airport. The Government has decided to refer the whole matter to a public planning inquiry.

The decision may well mean at least another two years' delay in settling finally whether or not such a terminal should be built, with the inevitable worsening of congestion at the airport. The BAA applies last week to the local authorities of Hillingdon, Spelthorne and Hounslow for the necessary planning permission for the terminal. These bodies are now expected to refer the application to the Department of the Environment, which in turn is expected to fix a date for a public inquiry.

Past experience with such inquiries indicates that it could last several months, with a further delay while the Government ponders the results. The BAA fears, therefore, that a final decision may not come until 1979, and that in view of the strength of the environmental objections, it could be unfavourable.

This delay to the BAA's plans demonstrates that, in spite of many years of often acrimonious arguments, expensive public commissions such as that headed by Mr. Justice Roskill, and a series of stop-go decisions, culminating in the cancellation of the Maplin Airport plan in 1974, the U.K. is no nearer a solution to its perpetual London airports problem than it was in the early 1960s, when the battle over whether or not to develop Stansted was at its height.

### Public inquiry delay

It remains to be seen whether the decision of Mr. Peter Shore, Secretary for the Environment, to "call in" the BAA's planning application and hold a public inquiry will cause any delays to the evolution and publication of the overall airports strategy document. The root of the London airports problem is the inexorable growth of air traffic, now running in the U.K. at between 7 and 8 per cent a year, coupled with an originally inflexible and unsuitable design for Heathrow which concentrated passenger and airport traffic in a small

Central Area, surrounded by the public planning inquiry may well recommend no fourth terminal at all. That would please the amenity groups. But for the airports authority and the Whitehall planners such an outlook is horrifying. The prospect of further growth beyond 1990, perhaps requiring even a fifth terminal at Heathrow, is something they all prefer not to think about. They all believed that they had found the ideal solution when, after the Stansted row of the early 1960s, and the subsequent Roskill Commission (whose own solution of a new airport in the Vale of Aylesbury was rejected), the Government settled on Maplin, to be built on reclaimed land off the Essex Coast. Then Maplin itself was cancelled, not only because of environmental objections, but also because of pressures on economic resources in the wake of the oil crisis and the subsequent industrial recession, and because it was not thought that air travel would recover so rapidly.

But cancelling Maplin did not remove any of the problems that airport was intended to solve: it merely pushed them aside (including the economic regeneration of South-East Essex). Now they are back in full measure, with a dramatic new growth of air traffic to be taken into account.

### Problems pushed aside

What then are the planners to do now? One solution would be to try to control the inflow of air traffic into the U.K. But air travel "rationing" would be almost impossible to control

unilaterally by the U.K., in view of the international nature of the traffic (over half of it at Heathrow originates from abroad). Also, many believe that to try to restrict air traffic in any way would be to relegate the U.K. to the status of an economic backwater, so great a part in economic life does aviation now play.

### ENVIRONMENTALISTS

in whose territory the proposed new terminal will fall, seek historical analogies for their predicament in the persons of King Canute and General Custer. Many of the inhabitants of Spelthorne, Hillingdon and Hounslow see the proposed fourth terminal as the latest in a series of attacks on the quality of their territory that they have not always been able to prevent—for example, from gravel quarries and road-builders. Even as the battle-lines are drawn for the fight over the fourth terminal, the transport planners are working out possible routes for a section of the M25 outer orbital road through the area to the west of Heathrow.

Heathrow now handles 23.7m. passengers a year. It is the world's fourth busiest airport after Chicago's O'Hare, Atlanta and Los Angeles. Its existing three terminals are being improved (with the provision of an underground rail link to London), to enable them to cope with 30m. a year by the end of this decade. But because of present traffic growth, the facilities are already under considerable pressure (as any user, especially of the long-haul Terminal Three, knows), and will be approaching saturation point by 1980, even with the improvements now under way.

The British Airports Authority believes that if the present growth of world air travel goes on there will be virtually a trebling of traffic through all the main airports serving London and the South-East (Heathrow, Gatwick, Stansted and Luton), from last year's 31.5m. passengers to about 86m. by the end of the 1980s. To cope with this growth the BAA devised the idea of the fourth terminal at Heathrow, on the south-eastern side, thus breaking out of the Central Area "prison." It was intended to handle up to about 9m. or so passengers a year, cost about £50m. at 1977 prices, and be ready by 1982, if work started next year. It would raise Heathrow's capacity to about 38m. passengers a year by the early 1980s, giving some respite before being itself overtaken by the continued growth.

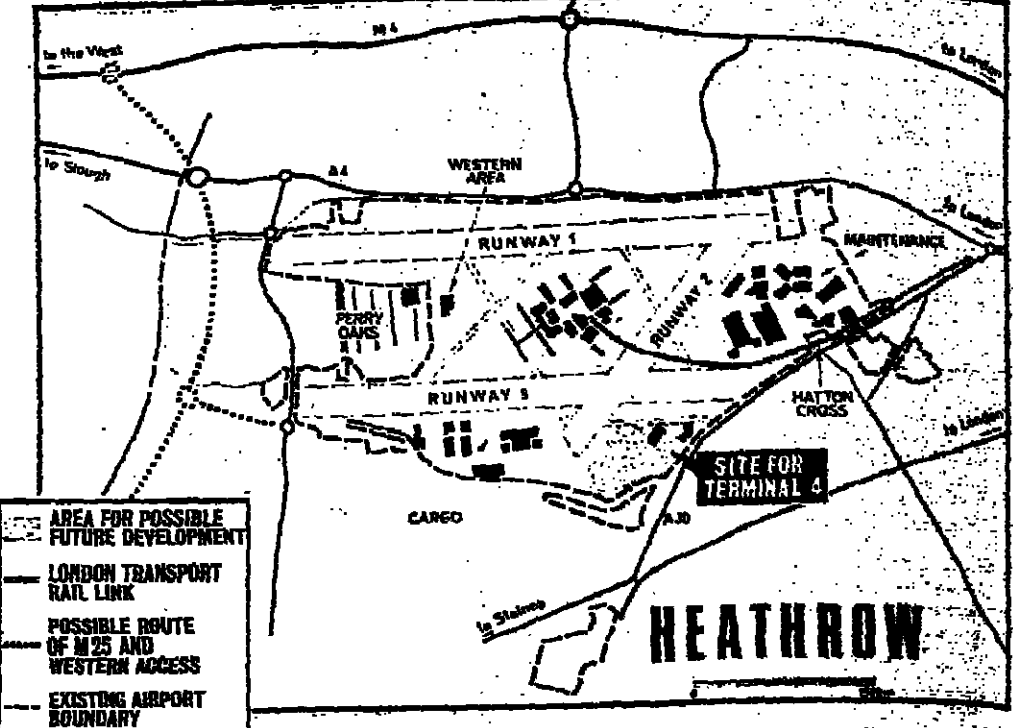
### But the BAA's arguments for this fourth terminal must also be studied in the light of the needs of the entire South-East.

By about 1982, the four airports involved are expected to be handling about 53m. passengers—mid-way between their present 31.5m. and the 1989-90 figure of 86m. After Heathrow with 38m., the other 20m. would have to go to Gatwick (handling 16m. against the present 6m.), Luton (3m. against the present 2m.) and Stansted (1m. against its present 300,000). Beyond that, however, if the graph does go on rising up to the 96m., and with Heathrow at saturation point, Gatwick will eventually have to take 25m., Stansted perhaps as many as 16m. and Luton anything between 5m. and 10m.

These figures, taken from the Government's own consultative document on airports policy, are all based on the premise that Heathrow gets its fourth terminal, to enable it to take 38m. passengers a year, with the uncertainties caused by all these figures will presumably have to be recast, because

### For some of the amenity groups in places like Staines,

the proposed fourth terminal will be fought bitterly. This time, other local authorities, including the Greater London Council and the Surrey County Council, are also fighting, although not for identical causes. Spelthorne's own opposition is based on six main grounds: inevitable further pressure on an already fragmented Green Belt as an estimated 1,800 new Heathrow workers settle inside the borough (which already has a housing waiting list); pressure on local employers caused by a glut of jobs; increased congestion on roads already severely overcrowded; noise from construction and increased airport ground movement; visual intrusion of buildings (the BAA is said by some to have a poor record on landscaping and screening, although the



Authority itself disputes this damage by various air currents from large aircraft which have been known to slip off roof tiles. One issue which annoys all the local authorities is the need for a third international airport for London. This they agree, is the only real way to relieve the pressures on Heathrow if air traffic continues to grow to predicted levels. For those living alongside the airport, any forthcoming public inquiry must address itself to the fundamental question posed in a recent letter campaign in which it was asked: "The expansion of Heathrow and Gatwick: When will it stop? For those whose local roads are jammed by week-end queues and whose homes shake under aircraft departing or arriving every few minutes, there is only one answer—"now".

Finally the argument reverts to Stansted, north of London, hitherto left largely untouched, in spite of its long runway, because its local residents fought such a successful battle to preserve their rural fastness in the 1960s. But times have changed in the past ten years, and so have many social attitudes. The environmental groups around Heathrow and Gatwick, which have seen those airports grow to their present proportions, with the prospect of even further expansion, regard it as unfair that a ready-made "expansion cham-

ber" like Stansted should continue to remain unscathed. The Heathrow groups in particular have served notice that they have suffered enough, and it is their pressure which has forced the Secretary for the Environment to call a halt to the BAA current plans for the fourth terminal. At Gatwick the development to 16m. passengers a year is inevitable, but the local lobbies will not stand by and see that rise to 25m. without a fight. The Stansted residents can be expected to object again, but they may well be outgunned by the other lobbies which are better briefed, more articulate, and more determined than they were a few years ago. Almost incredibly, the airports situation has turned full circle—now Heathrow's problems through the Stansted row to Roskill and Maplin, and back to a Heathrow row and the prospect of others at Stansted and Gatwick. After 15 years' airports policy for London and the South-East is still a major political, economic, environmental and sociological problem for the Government, and the latest decision, although intended to be helpful, has done nothing to solve.

# Spelthorne's last stand

BY DAVID FREUD

Stanwell, Sunbury (all of which are part of Spelthorne), the dogfight over environmental quality seems endless—with Concorde, the M25 and the fourth terminal seen as the latest manifestations of the battle. They intend to try to get some limits set to the environmental disruption that they believe a fourth terminal would cause, even if they fail to prevent it entirely. But there are some difficulties. A large number of people who live around Heathrow work at the airport, and are dependent upon it. This does not prevent them from being concerned about the quality of life, or from seeking controls on supporting those groups who want an outright ban on all future development. There are enough pressures, however, to indicate that the struggle over

the proposed fourth terminal will be fought bitterly. This time, other local authorities, including the Greater London Council and the Surrey County Council, are also fighting, although not for identical causes. Spelthorne's own opposition is based on six main grounds: inevitable further pressure on an already fragmented Green Belt as an estimated 1,800 new Heathrow workers settle inside the borough (which already has a housing waiting list); pressure on local employers caused by a glut of jobs; increased congestion on roads already severely overcrowded; noise from construction and increased airport ground movement; visual intrusion of buildings (the BAA is said by some to have a poor record on landscaping and screening, although the

Authority itself disputes this damage by various air currents from large aircraft which have been known to slip off roof tiles. One issue which annoys all the local authorities is the need for a third international airport for London. This they agree, is the only real way to relieve the pressures on Heathrow if air traffic continues to grow to predicted levels. For those living alongside the airport, any forthcoming public inquiry must address itself to the fundamental question posed in a recent letter campaign in which it was asked: "The expansion of Heathrow and Gatwick: When will it stop? For those whose local roads are jammed by week-end queues and whose homes shake under aircraft departing or arriving every few minutes, there is only one answer—"now".

## Letters to the Editor

### Tinkering

From Mr. A. Horsnail.  
Sir—Your leader Problems of Success (October 1), if reconsidered on a world scale, goes a long way to explaining the differences between the points of view of bankers and businessmen at the present time. Events since 1973, with large rises in inflation and much smaller rises in demand and employment, should convince us that no purpose is achieved by businessmen and unions lobbying Governments to tinker with demand by devaluations or additional Government spending through increasing the monetary aggregates. World demand is too weak, especially in developing countries, to accept inspired growth of this kind. The large surplus of the Organisation of Petroleum Exporting Countries' savings in the money markets of the world could be expected to allow interest rates to fall to very low levels in the ordinary way. In Governments, as Samuel Brittan describes, which upsets the world financial markets on the scale we have seen. Your leader says: "The question then is whether it is sensible or even possible to fund inflows without limit." What would Lord Keynes have said?—Yes, at low interest rates, which will be in those currencies with low inflation rates! These are the funds for new employment creating investment. If W. Germany and Japan—who enjoy the lowest interest rates—and difficulty in inducing faster growth at home, then they should be encouraged to accept part of the responsibility for investing funds in overseas economies, particularly in the developing world. This proposal, it appears to me, answers two particular difficulties at the present time. Firstly, the admirable efforts by the World Bank and the International Monetary Fund which are constrained by their need to draw funds from weaker as well as stronger economies. Secondly, the apparent reluctance of the U.S. Senate in acknowledging the need for any more help at this time. Hopefully, the U.K. will be

### Fuses

in a better position to help next year. A. G. Horsnail, (Economic Adviser, Burge and Co.), 25, Worslip Street, E.C.2.  
From Mr. J. Brockbank.  
Sir—I was interested to see Mr. Fallon's letter (September 28) with its implied support for the principle of fitting appropriately rated fuses in 13 amp plugs according to the appliance served. I must, however, to some extent disagree with his comments regarding the availability of plugs fitted with 3 amp fuses. Certainly these are listed by manufacturers and most wholesalers, but practical experience shows that they are rarely stocked by retailers. I agree that this is a matter of education, but it seems to me that this should primarily be directed to retailers, to ensure that they not only stock plugs with 3 amp fuses, but take the trouble to ask the customer what appliance is concerned, and to recommend accordingly. Consideration might well be given to the provision for retail shops of educational showcards to be prominently exhibited adjacent to the display of plugs. J. B. Brockbank, Larkstone, Hilton, Bridgnorth, Salop.

### Stimulus

From Mr. R. Anstey.  
Sir—Samuel Brittan's admirable article (September 29) told us how not to stimulate demand, but not how to do so. The productive capacity both in available people and plant is waiting for the right sort of stimulus in the industrial countries. As an ignoramus, may I suggest that policies designed to achieve real stability of the pound and a nil or very low rate of income tax, whether on earned or unearned incomes, could do the trick in this country in releasing energies, enterprise, the will to work, and the profit motive. Richard Anstey, Platt Farm, Long Mill Lane, St Mary's Platt, Sevenoaks, Kent.

### Impossible

From Mr. W. Richardson.  
Sir—I hate to contradict "Observer" (October 4) for saying that Hugh Scanlon, in calling for reflation, first said inflation, and then hurriedly corrected himself to reflation. On the contrary, he was right first time. I have no doubt that Hugh knows perfectly well that reflation, at the present time, simply means increased inflation, but it sounds better, even if wrongly used. At 20 times since 1933 has not been possible to use the word correctly in connection with the United Kingdom currency. One cannot have reflation until inflation has ceased completely. Inflation which started in 1933 has continued every year until now with the exception of two years, 1962 and 1966, and it followed a period of 13 years of positive deflation, which caused a rise in the value of the pound sterling from 85 to 145, in 1914 terms. This could be correctly

### Accountants

And the unions presumably are interested in their members' attendance time being fully utilised, so that they have more scope for negotiating wage increases. A. F. Stobart, Manor Farm, Claydon, Near Rotherbury.  
From the Group Financial Director, Duxon and Charles.  
Sir—The chairman of the education and training committee of the Institute of Chartered Accountants in England and Wales takes over a quarter of your available space for "Letters to the Editor" (October 4) to defend the Institute's examination policy against Mr. Michael Dixon's criticism of September 22. Personally I wouldn't have bothered—the first paragraph of Mr. Dixon's article states that he failed the Institute's rigorous examination. Since when has a chartered accountant? I, Springfield, David and Charles (Holdings), Brunel House, Newton Abbot, Devon.

### Referendum

From the Prospective Liberal Parliamentary Candidate, (Ilkeston-Derbyshire).  
Sir—Mr. Verber's point in your issue of October 3 can very quickly be answered. If he is concerned that Liberal support for the Government might lead to an overall Labour majority at the next election, thereby opening the door to more nationalisation, all he has to do is to support electoral reform in the shape of the single transferable vote, and his fears will be groundless. It will need the support of the majority of the electorate (and probably a referendum) but the major polls suggest that the necessary conditions already exist. Desmond Blackburn, 17, Rushings Road, Sheffield.

### Tax

From Mr. J. Phillips.  
Sir—Much as it pleases me to hear the CBI calling for "Radical changes in Government policies towards small businesses," I must ask the question—When is all the talking to stop and action to be taken? In 1971 the Bolton Committee made very similar suggestions to those currently being echoed by the Wilson Committee in 1977. Unfortunately neither the ICF, the NEB, or Equity Capital for Industry has had any significant effect on the financing problems facing smaller businesses. One can only postulate that a lack of incentive has restrained the enterprise of many of the

### Energy

From Mr. D. Streeter.  
Sir—Thank you for publishing my letter on September 30. I would, however, mention that the specific cost of a coal-fired station as 25 per cent that of a nuclear station should read from a typing error which I overlooked. Derrick Streeter, 39, Leasway, Westcliff-on-Sea, Essex.

## Unmistakable

Golden Ellipse and 18 ct. blue coloured gold. They invariably identify Patek Philippe designs. They tell you that the watch was finished entirely by hand, in the manner practised by Patek Philippe since 1839. The Golden Ellipse was derived by Patek Philippe from the Golden Section, the principle which already inspired the design of the Parthenon. The blue coloured gold of the dial is a bit of alchemy signed Patek Philippe.

Men's model (Ref. 3748). Matching cufflinks also featuring Golden Ellipse and 18 ct. blue coloured gold.

# PATEK PHILIPPE

Ennobled by the craftsman's touch

Catalogue and list of jewellers from: Patek Philippe, Dept. 1, P.O. Box 35, Maidenhead, Berks SL6 3BQ.







S. Pearson jumps to £19m. midway

Pearson Longman

MAINLY REFLECTING sharp increases by the Financial Times and Westminster Press offshoots, first-half 1977 group profits of Pearson Longman expanded by over 22m to £19.8m.

Profits before interest of the FT group climbed from £14m to £19.8m, Westminster Press turned a £1.5m loss into £1.7m, while Longman Holdings showed a marginally improved position at £2.51m, against £2.48m.

Providing for tax and minorities the attributable balance comes through at £14.2m, against £13.6m. Gains per 25p share are shown to be up from 7.54p to 10.2p.

The interim dividend is maintained at 2.2p a share in addition to a further dividend of 0.055p in respect of 1976.

The directors point out that exchange differences on the revaluation of net assets overseas are excluded from the results.

Pearson is a widely diversified group with interests in banking and finance, newspapers and publishing, and in the industrial and commercial property fields.

Turnover of Doulton and Co. an offshoot of S. Pearson and Son, increased from £71.33m to £82.5m in the first half year.

The profit was struck after interest of £1.8m, against £1.92m. Provision for minorities of £21.0m (£21.0m), and tax of £2.88m (£2.71m), the attributable profit emerges at £2.88m compared with £2.41m.

For all of 1976 turnover was £144,000, which attracted £2m in the seven months to the end of the year.

The managers of Schlesinger Extra Income Trust consider the future income and capital growth is at least as important as the initial yield on a high income fund.

Investors seeking high income are offered a gross yield estimated at 10.3 per cent by Lawson Securities on the Lawson High Yield Fund.

High yield funds are among the best sellers in the unit trust sector and the Lawson High Yield Fund has grown to £114m, its just over three years.

Following the forecast last May of another worthwhile profit increase in the current year, S. Pearson and Son reports a jump from £14.7m to £19.8m in the pre-tax figure for the first six months of 1977.

Providing for heavier minorities of £4.8m, against £3.5m, and taxation, the net attributable balance emerges ahead from £3.2m to £3.7m.

The interim dividend is maintained at 2.2p a share in addition to a further dividend of 0.055p in respect of 1976.

Turnover of Doulton and Co. an offshoot of S. Pearson and Son, increased from £71.33m to £82.5m in the first half year.

The profit was struck after interest of £1.8m, against £1.92m. Provision for minorities of £21.0m (£21.0m), and tax of £2.88m (£2.71m), the attributable profit emerges at £2.88m compared with £2.41m.

For all of 1976 turnover was £144,000, which attracted £2m in the seven months to the end of the year.

The managers of Schlesinger Extra Income Trust consider the future income and capital growth is at least as important as the initial yield on a high income fund.

Investors seeking high income are offered a gross yield estimated at 10.3 per cent by Lawson Securities on the Lawson High Yield Fund.

High yield funds are among the best sellers in the unit trust sector and the Lawson High Yield Fund has grown to £114m, its just over three years.

The managers of Schlesinger Extra Income Trust consider the future income and capital growth is at least as important as the initial yield on a high income fund.

Investors seeking high income are offered a gross yield estimated at 10.3 per cent by Lawson Securities on the Lawson High Yield Fund.

High yield funds are among the best sellers in the unit trust sector and the Lawson High Yield Fund has grown to £114m, its just over three years.

The managers of Schlesinger Extra Income Trust consider the future income and capital growth is at least as important as the initial yield on a high income fund.

Investors seeking high income are offered a gross yield estimated at 10.3 per cent by Lawson Securities on the Lawson High Yield Fund.

High yield funds are among the best sellers in the unit trust sector and the Lawson High Yield Fund has grown to £114m, its just over three years.

Scottish Television expands

TAKABLE earnings of Scottish Television for the first half of 1977 climbed by £418,404 to £1,093,088 after an Exchequer net loss of £290,016, against £752,185.

The rate of increase in income achieved in the first six months has been maintained during the summer and the directors are confident that the full year results will show advance on the £1.1m for 1976.

The net interim dividend is fixed to 1.63p (1976p) per 10p share. Last year's final was 1.1375p.

Profit for the half-year included other income of £200,694 (£103,690) and was struck after expenditure of £53.5m (£4.5m).

Earnings are shown at 7.76p per 25p share (5.85p) and the interim dividend is fixed to 1.21p (1.11p) - the 1976 final was 2.31p.

In respect of the issue it is expected that the provisional allotment letters will be posted on October 28 and that dealings in the new shares will begin on October 31.

The market capitalisation of Newman Industries went up by over 20 per cent, yesterday to £5.1m on news of a forecast that total 1977 dividends would be increased by 35 per cent.

The company has close state of affairs. It has improved taxable profits by £2,000 to £193,000 and £206,000 against £62,000 in the first half of 1977.

Stated earnings per 25p share are better at 6.01p (£3.24p) and the net dividend is raised to 1.225p (1.1p). In addition there will be a special interim of 0.03982p following the reduction in ACT.

The directors report that the order book at the beginning of the second half substantially exceeded that at the same date in 1976.

Britanina Arrow interim loss £1.8m.

EXCLUDING losses of £1.82m on the disposal of dealing and investment properties, Britanina Arrow Holdings, formerly Slater Alkay Securities, reports a net loss for the first half of 1977 of £1.8m, against £5.34m, after tax and minorities.

Sir James Goldsmith, the chairman, says that it is anticipated that the rate of loss will be reduced in the second half. No interim dividend is to be paid.

In the report and accounts for 1976, presented with the interim results, the consolidated total of assets and liabilities differ from those in the pro-forma sheet sent to members on August 3, 1976.

Taking into account proposals adopted on August 26, 1977, from which arose an extraordinary debit of £23.90m (nil), the attributable net loss for 1976 is stated as £27.50m (£42.34m).

The first-half losses relating to properties have been charged against the property divisions included in the accounts for 1976. As the amount of interest on the loans in the course of development has been substantially reduced during the half-year, all interest borne by the property departments has been charged in the profit and loss account, the chairman points out.

No dividends were received from the insurance companies and no firming was included in respect of the banking subsidiary which was sold in September 1977.

Meeting, Connaught Rooms, WC, on November 9 at 11 a.m. See Lex

Group sales 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950

Slack shipping market hits Hunting Gibson

NO SHIP sales were made by Hunting Gibson in the first half of 1977 leaving taxable profit down from £1.35m to £604,000, on turnover up from £50.22m to £70.22m.

The shipping depression continues to have an adverse effect on the group's performance expected during the rest of the year. Profit is likely to be lower in the second half compared with the first say the directors.

Stated earnings per 10p share for the half-year are slumped to 2.1p (£1.31p) after increased tax of £435,000 (£156,000). The net interim dividend is held at 5p and there will be a supplementary dividend of 0.0851p for 1976 following the change.

Lake & Elliot depressed

AFTER A trading loss of £640,000 this time in respect of Cockburns and overseas subsidiaries, Lake & Elliot reports a taxable profit for the year to July 31, 1977, almost halved from a record £2.03m to £1.12m.

At 17.1p the market capitalisation is down from £1.01m to £546,000, the directors said that the good start to the year had not been maintained due to a number of poor intake of orders and postponement of deliveries on some orders in hand.

There was an extraordinary loss during the year of £194,000 (nil) which reduced earnings per 25p share to 5.39p (10.62p), as against 4.4p before this debit. The extraordinary loss was due to a number of ordinary items comprising losses attributable to remedial action in loss making companies of £261,000 less tax relief of £142,000, and a writ of replevin of £100,000 for tax on 1975.

The net total dividend is 3.4014p (£3.485m) with a final of 2.0614p, absorbing £347,000 (£294,000).

The expected recovery at Lake and Elliot has still not materialised and profit was down by 80 per cent to £1.1m, reflecting lack of activity in the ship-building industry and scarcity of orders.

Over the period margins fell to 6.14 per cent, but there was a two point improvement in the first six months. In the value division the anticipated turnaround is not yet evident, and Cockburns incurred a loss for the second half of the year.

Meeting, Connaught Rooms, WC, on November 9 at 11 a.m. See Lex

Group sales 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950

Concrete proposes to change its name to Bison Group.

Concrete proposes to change its name to Bison Group.

Dividends Announced

Table with columns: Company, Current payment, Date of payment, Correlation, Total last year, Total this year. Includes Ash & Lacy, Bourne & Hollingsworth, J. W. Cameron, etc.

Dividends shown per share net except where otherwise stated. The Equivalents are based on the increased by rights and/or acquisition issues.

At the time of the share subscription agreement with Strong and Fisher in early August the directors said that indications were that the year's trading had been profitable.

Mr. Asif Nadir, chairman, tells members that the year was a very poor one for the retail trade throughout the U.K., the only ray of buoyancy being provided by overseas buyers who visited Britain to take advantage of the weakness of the pound.

He points out that the export business requires substantial additional cash to finance and it was not until late in the year that the credit situation improved.

The chairman reports that trading in the first five months of the current year is much improved and, for the first time in three years, cash flow requirements have eased and permitted the group to concentrate on the more positive aspects of manufacturing, selling and making profits.

He points out that creditors are substantially down—from £1.31m to £1.06m, at the year end—and are able to pay to earn discounts from suppliers for prompt payment, which should give a fillip to margins.

Mr. Nadir feels that it is too early to judge the year to the sort of results the group was achieving in 1973 (when the pre-tax profit stood at £27,000) but with the continued support of bankers and suppliers he expects the next year to be publishing results showing that the group's confidence has been successfully completed.

The annual report reveals that assets to a £224,000 surplus from a £207,000 deficit. But overall gearing remains very high, even after writing off the deferred tax into shareholders' funds.

The loans were made to Mr. Asif Nadir, the maximum amount outstanding at any one time being £20,000. By April 29, 1977, the loans had been reduced to £20,209 and have since been repaid.

Early in August it was reported that the chairman and his family had sold over a quarter (1.9m) of their Wearwell shares.

3% Exchequer stock 1981

The Bank of England announces the issue of £600m of 3 per cent Exchequer Stock 1981 at 99.2 per cent, payable in full on application. The list of applications will open and close on Thursday October 13.

Interest on the stock is payable half-yearly on February 21 and August 21. The first payment next February will be at the rate of 10.88 per cent.

The expected recovery at Lake and Elliot has still not materialised and profit was down by 80 per cent to £1.1m, reflecting lack of activity in the ship-building industry and scarcity of orders.

Over the period margins fell to 6.14 per cent, but there was a two point improvement in the first six months. In the value division the anticipated turnaround is not yet evident, and Cockburns incurred a loss for the second half of the year.

Meeting, Connaught Rooms, WC, on November 9 at 11 a.m. See Lex

Group sales 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950

Concrete proposes to change its name to Bison Group.

Concrete proposes to change its name to Bison Group.

Concrete proposes to change its name to Bison Group.

Concrete proposes to change its name to Bison Group.

Concrete proposes to change its name to Bison Group.

Wearwell breaks even in second half

AFTER RETURNING to profitability with a pre-tax balance of £55,000 in the first half of 1976-77, Wearwell, the fashion outerwear group, did only slightly better than break-even in the second six months, resulting in a profit balance of £25,983 for the year ended April 29.

In the first half of 1973-74 a profit of £42,000 was reported but this was more than offset by a loss of £53,000 in the second six months, inflated by estimated losses of £130,000 arising on the curtailment of the mail order supply business and credit business with chain stores in the previous year profits were £1m.

At the time of the share subscription agreement with Strong and Fisher in early August the directors said that indications were that the year's trading had been profitable.

Mr. Asif Nadir, chairman, tells members that the year was a very poor one for the retail trade throughout the U.K., the only ray of buoyancy being provided by overseas buyers who visited Britain to take advantage of the weakness of the pound.

He points out that the export business requires substantial additional cash to finance and it was not until late in the year that the credit situation improved.

The chairman reports that trading in the first five months of the current year is much improved and, for the first time in three years, cash flow requirements have eased and permitted the group to concentrate on the more positive aspects of manufacturing, selling and making profits.

He points out that creditors are substantially down—from £1.31m to £1.06m, at the year end—and are able to pay to earn discounts from suppliers for prompt payment, which should give a fillip to margins.

Mr. Nadir feels that it is too early to judge the year to the sort of results the group was achieving in 1973 (when the pre-tax profit stood at £27,000) but with the continued support of bankers and suppliers he expects the next year to be publishing results showing that the group's confidence has been successfully completed.

The annual report reveals that assets to a £224,000 surplus from a £207,000 deficit. But overall gearing remains very high, even after writing off the deferred tax into shareholders' funds.

The loans were made to Mr. Asif Nadir, the maximum amount outstanding at any one time being £20,000. By April 29, 1977, the loans had been reduced to £20,209 and have since been repaid.

Early in August it was reported that the chairman and his family had sold over a quarter (1.9m) of their Wearwell shares.

Ellerman declines midterm

ALTHOUGH PROFITS from trading operations, including associates rose from £4.15m to £4.92m during the first half of 1977, a fall in investment income and an increase in finance charges caused the group's profit at Ellerman Lines to decline from a restated £0.2m to £4.9m, on turnover ahead at £74.17m against £61.04m.

Mr. D. Martin-Jenkins, the chairman, says that the company is in the midst of a heavy investment programme and the rewards from the eight ships it has on order and from Tollemeche and Cobbold Breweries, the recent acquisition, will come in the future.

He points out that these benefits will not show through in 1977 and therefore, the full year profit will not match last year's record £12.74m.

The directors state that the first half results reflect the company's intention to adopt the accountant's proposed treatment of capitalisation of ship leases. Tax, which is mainly overseas takes £263,000 against £228,000 and is expected that there will be no significant change in the amount of U.K. tax this year, because of the availability of capital allowances on ships and other fixed assets.

It is not the company's intention to provision for deferred tax in respect of the full year results and therefore no provision is made.

The interim dividend on the £1 deferred ordinary stock is unchanged at 2.25p—last year payments totalled 3.449p, net. The ordinary capital is presently being held in a special dividend fund.

Mr. Martin-Jenkins says that the company is in the midst of a heavy investment programme and the rewards from the eight ships it has on order and from Tollemeche and Cobbold Breweries, the recent acquisition, will come in the future.

He points out that these benefits will not show through in 1977 and therefore, the full year profit will not match last year's record £12.74m.

The directors state that the first half results reflect the company's intention to adopt the accountant's proposed treatment of capitalisation of ship leases. Tax, which is mainly overseas takes £263,000 against £228,000 and is expected that there will be no significant change in the amount of U.K. tax this year, because of the availability of capital allowances on ships and other fixed assets.

It is not the company's intention to provision for deferred tax in respect of the full year results and therefore no provision is made.

The interim dividend on the £1 deferred ordinary stock is unchanged at 2.25p—last year payments totalled 3.449p, net.

Results due next week

GLAXO with a current market capitalisation of more than £520m, dwarfs all the other major results due next week. Interest in the mail order sector will be renewed however with half-year figures due from Empire Stores following hard on the heels of Freemans and Grattan's.

After the 22 per cent profit increase by Freemans and the 13 per cent increase by Grattan reported last week the figures from Empire Stores due out on Wednesday are expected to be the most impressive as a whole has held up well and Empire has gone all out to boost volume.

Also double running costs caused by the switch to computerised administration, which hit last year's profits, have stabilised this year. The difficulty for the analysts is projecting the extent of Empire's margin recovery, but half-time profits of near to 25m (£18.8m) are expected putting the group well on the road to over 27m for the year.

Debenhams, with interim figures due on Thursday, has already reported that sales over the first 13 weeks were almost 23 per cent up on last year—thanks

in part to new contributions from acquisitions such as Hamleys and Greens Leisure. While it is unlikely that this performance will have been maintained over the full six months most analysts are looking for a solid improvement on last year's pre-tax profits of £2.6m. Margins are also thought to have improved, particularly as clearance sales were delayed and should be now included in second half figures.

Problems may have emerged on the fashion side however and margin estimates range between 24m and 25m profit.

Since this will be the first year that the shareholding in the Indian interests has had to be reduced the figures from Associated Discounts are not strictly comparable. Trading profits this year are expected to be between 22m and 24m, thanks to a good recovery in packaging and a little extra in Canada, but margins are bound to be under pressure in the U.K. given the short-view

taken by AB in the cocoa market. This trading figure compares with about 28m previously adjusted for the Indian interests and stripping away a two point improvement in the second half compared with the first six months.

Hisber neoprene crisis up 16 per cent in the U.K. will have taken their toll at News International, but the Sun's I cover price rise will do some way to offset this. The volume of advertising is only marginally higher but increased rates have boosted U.K. revenue by approximately 25 per cent, more than £7m (£26.6m) is expected midway and as the second half is traditionally better, the market is sticking to its expectations of at least £17m for the full year.

In a modest week for company results the only other figures expected are interim from Lesney Products, Wilmut Bredren and Gerrard National Discount with final from Swan Hunter and Consolidated Gold Fields.

Group sales 1977 1976 1975 1974 1973 1972 1971 1970 1969 1968 1967 1966 1965 1964 1963 1962 1961 1960 1959 1958 1957 1956 1955 1954 1953 1952 1951 1950

FINAL DIVIDENDS

Table with columns: Company, Dividend, Date, Yield. Includes BPA Holdings, C. Caskey Holdings, Consolidated Gold Fields, etc.

INTERIM DIVIDENDS

Table with columns: Company, Dividend, Date, Yield. Includes Ash & Lacy, Bourne & Hollingsworth, J. W. Cameron, etc.

INTERIM FIGURES ONLY

Table with columns: Company, Dividend, Date, Yield. Includes Ash & Lacy, Bourne & Hollingsworth, J. W. Cameron, etc.

INTEREST DIVIDENDS

Table with columns: Company, Dividend, Date, Yield. Includes Ash & Lacy, Bourne & Hollingsworth, J. W. Cameron, etc.

Dividends shown net per share and adjusted for the inter-annual rate issue. \* Gross. † Interim of 4.6p announced on June 23. ‡ Includes 4.4p second interim.



SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The recent frenzied bid activity in the tea sector was continued. An offer of £41m. was tabled for Assam Frontier Tea from Wrengrate Ltd., a private company based in Manchester. The offer comprises 385p Ordinary share and 270p for each Preference share. The success of the offer remains in doubt as there are believed to be other suitors in the wings and Sime Darby, which holds 25 per cent. of the capital, has yet to give the offer its blessing.

Table with columns: Company, Value of bid, Price, Value, Final Acc'l, Date. Lists various companies like Assam Cons. Tea, British Elec. Controls, Brit. Elec. Controls, etc.

PRELIMINARY RESULTS table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Lists companies like Berry Wiggins, Berran Rubber, Calcutra Electric, etc.

INTERIM STATEMENTS table with columns: Company, Half-year to, Pre-tax profit, Interim dividends. Lists companies like Advance Lads, Aveyry, Beaton Clark, etc.

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Lists companies like Hunting Assoc., IDC Group, Intl. Combustion, etc.

Offers for sale, placings and introductions. Agricultural Mortgage Corporation: £3m. of variable rate bond City of Cardiff: £10m. of 11 per cent. Redeemable stock 1986 at par.

No OFT opposition to Clayton

of State for Prices and Consumer Protection, has finally allowed through the take-over by American Standard Incorporated for Clayton Dewandre Holdings. The directors of Photophia have irrevocably accepted the 52p share cash offer in respect of their own holdings totalling 52.75 per cent.

ASSAM FRONTIER

The Board of Assam Frontier has written to shareholders urging them to vote in favour of the "English scheme of arrangement" but assuring them that if Morgan Grenfell decides the scheme will prejudice any bid for the company, then it will not be made effective.

EDINBURGH & DUNDEE

Recent talks that have taken place between the Board of Edinburgh and Dundee Investment, one of the trusts in the Scottish Bailie Gilford Stable, and a party interested in making a take-over bid for the £90m. trust, have resulted in no terms being announced.

SHARE STAKES

British industries and General Investment Trust: London and Manchester Assurance and its subsidiary, Welfare Insurance, has purchased a further 47,998 Deferred shares making total £31,398 (20.16 per cent.).

NEW HIGH REGULAR INCOME 6 DIVIDENDS A YEAR

Advertisement for ARBUTHNOT SPECIAL 3 IN 1 OFFER. Features: INITIAL HIGH INCOME, THE SECURITY OF WIDELY INVESTED PORTFOLIOS, SPECIAL 10% DISCOUNT, LONG TERM CAPITAL GROWTH POTENTIAL. Includes details about three funds: ARBUTHNOT EXTRA INCOME FUND (10.3%), ARBUTHNOT PREFERENCE SHARE FUND (11.6%), and ARBUTHNOT HIGH INCOME FUND (9.2%).







# INTERNATIONAL FINANCIAL NEWS Long-term growth likely

## Banking consortium changes hands

By Michael Standen

WESTERN American Bank (Europe), one of the earliest and largest of the London-based international consortium banking groups, is being reorganised to give 51 per cent control to the Bank of Tokyo.

The bank, which was set up in 1968 and originally had close ties with Hambros Bank, is to be renamed as Bank of Tokyo and Detroit (International). It is the latest of a number of London consortium banks which have recently been subject to major restructuring.

It was announced yesterday that two of the four shareholders, Security Pacific and Wells Fargo, are to sell their interests in WAB. At present, they each hold 25 per cent, together with Bank of Tokyo and National Bank of Detroit.

After the deal, subject to the relevant official approval, 51 per cent of the bank will be owned by Bank of Tokyo and the Californian subsidiary California First Bank, and the other 49 per cent by National Bank of Detroit. The change is expected to take place in January next year, and the shares are expected to change hands at about net worth at the time.

Except that management responsibility will lie with the Bank of Tokyo as majority shareholder, no change in the scope of the activities of the joint bank is contemplated. It will continue under its new name to engage mainly in Eurobond and Euro-currency loan business as an international merchant bank.

It was explained yesterday that the decision by the two U.S. Coast banks to sell out had been made mainly because they now felt that their international business could be better carried out through their own operations rather than a consortium.

## Arab interests taking 16% stake in Ballast-Nedam

BY MICHAEL VAN OS

AMSTERDAM, Oct. 7

A GROUP of Middle Eastern investors is taking a stake worth about 16 per cent in the largest of the Dutch construction companies.

Mineta Holdings, the base for the Arab interest, is to acquire an eventual 16 per cent holding in Ballast-Nedam by taking up new capital in the group. This is the first time that a Middle Eastern investment of this nature has been publicly announced.

Ballast, which has annual sales of around Fls.1.2bn, and which is very active in the Middle East construction markets, said in a statement that the transaction with Mineta fitted in well with its earlier announced plans of raising risk capital to cover investment plans.

At the same time Ballast added that in order to further improve its capital base, a sub-ordinated loan of Fls.25m. had been taken up from De Nationale Investeringsbank.

According to the company's finance director Mr. B. M. Meerman to-day, the Arab share in the company will amount to 16 per cent after completion of the conversion of the outstanding convertible loan. Mr. Meerman added that, taking into account several recent placements, the financing of the projected expansion of the group would now be assured.

Ballast-Nedam said in its statement that the Arab transaction—which it said showed confidence in its development and expansion possibilities—that although the participation was regarded as a permanent one, Arabia for a residential construction project which is still in progress, whose value was put at around Fls.1.2bn, at the end of 1976.

Mineta, one of whose directors is a Palestinian Arab residing in Athens, will appoint Supervisory Board members to the Ballast-Nedam Supervisory Board.

In its statement, the construction company also gave an indication of the development of business this year. Turnover remained "slightly below" earlier announced expectations, to total about Fls. 1.2m, which was about equal that of the past year. Net profits, on the other hand, would show a marked increase rising by 30 per cent to about Fls.16m.

In the past year, about 65 per cent of the company's turnover was generated outside the Netherlands, with Middle East orders taking a "dominant" share. In May, 1976, Ballast obtained an order in Saudi Arabia for a residential construction project which is still in progress, whose value was put at around Fls.1.2bn, at the end of 1976.

## Long-term growth likely

BY JOSEPH MANN

CARACAS, Oct. 7

A WORLD Bank official told the Financial Times conference on Latin American banking yesterday that the region should demonstrate long-term growth of about 6 to 7 per cent a year in the late 1970s, recovering well from higher petroleum costs which kept real economic expansion at an average of 4.9 per cent during the 1974-76 period.

Senior Carlos N. Quijano of the World Bank also said that the "persistent inequality of income distribution" in Latin America "has made it imperative for international financial institutions to target their lending towards rural and urban poor through educational projects, income and employment projects and urban services."

In spite of overall growth performance in the region, widespread poverty had continued, "and intensified urbanisation has made it more visible."

Senior Quijano added that Latin America was now more than ever before, poised to employ effectively extensive resources in pursuit of its developmental goals.

He said that the region's diversified and relatively advanced industrial sector, an agricultural sector capable of sustaining rapid growth, and great untapped mineral and land resources with the necessary infrastructure for exploiting these elements "essentially in place."

Gross external capital requirements for the ten largest economies in the region, discounting the impact of foreign aid, are expected to rise from an average of \$16bn. in 1975 to more than \$220bn. by 1980.

State-run oil industry and supplies the Government with almost all the resources used in its ambitious development schemes.

Senior Lorenzo Asparrua, State Planning Minister, told the conference that the Government's fifth national plan was expected to generate more than 1m, new jobs between 1976-80.

Of these, most will require various degrees of training in domestic educational facilities.

To meet this challenge, the Venezuelan Government had already implemented massive job-training programmes through the National Institute for Co-operative Education (INCE), and was expanding other public training schemes on an unprecedented scale.

Senior Asparrua said that the sector was contributing by training a larger share of employees and apprentices in a variety of skills.

He also predicted that the Government-owned Venezuelan Investment Fund, revealed that the institution was reviewing its investment policy, because of lower returns on short-term investments. The fund, set up in 1973 to channel off part of Venezuela's new petroleum income, has assets of \$6.5bn.

The cross-border flow of national currencies, although reaching unprecedented dimensions, should not be a cause for alarm, said Mr. E. Y. Whittle, deputy chief executive of Lloyds Bank International.

"I believe that there is no need to be alarmed by the magnitude of the present figures, provided we take care to relate the size of each risk, on both sides of the balance sheet, to the institutions involved in handling it," he said.

In regard to the use of Euro-market funds, questionable propositions were bound to appear and errors of judgment to occur "quite apart from the political advisability or morality of lending into this or that country."

The major impulse in medium-term arrangements, he said, began five years ago, "so we may well be in for one or two unpleasantnesses. But, due to the nature of much of the lending, the balance sheet results, although they may be uncomfortable enough, will not be disastrous."

Mr. Robin Pringle, editor of the Banker, said that over the longer term—the next ten years or so—the prospects for the world economy have, almost if ever better than they are today.

## Dunlop Australia holds profits

FINANCIAL TIMES REPORTER

HAVING recovered sharply in the previous months, Dunlop Australia could only manage to hold pre-tax profits in the year ended last June.

At A\$26.7m, profits before tax of the rubber, footwear and textile group, compares with A\$27.2m in 1976. After a low tax charge, however, earnings at the net level emerge a fifth ahead at A\$17.28m, against A\$14.47m—or 19.7 cents a share compared with 16.4 cents a year earlier.

Earnings in all main operating groups improved during the year. Clothing, textile and footwear earnings rose 22 per cent, and A\$10.9m, depreciation A\$8.86m.

general products division (rubber and sporting goods) earnings rose 23 per cent, but growth in the industrial division was limited to 11 per cent, due to extremely difficult trading in the tyre market.

Dunlop claims to have made excellent progress in "refocusing" towards viable long-term operations" in the past year and says that its outlook is more optimistic than it has been for several years.

Sales last year rose by 11 per cent to A\$453.3m, from A\$409.0m. Tax absorbed A\$48.9m, compared with A\$10.9m, depreciation A\$8.86m.

COMMERCIAL and General Acceptance, the major finance company owned by the Commercial Banking Company of Sydney and the Bank of America, has raised the provision for losses on its property portfolio by another \$A11.6m. This takes the provision to \$A24.6m, writes James Forth in Sydney.

## Latin American Banking CONFERENCE

State-run oil industry and supplies the Government with almost all the resources used in its ambitious development schemes.

Senior Lorenzo Asparrua, State Planning Minister, told the conference that the Government's fifth national plan was expected to generate more than 1m, new jobs between 1976-80.

Of these, most will require various degrees of training in domestic educational facilities.

To meet this challenge, the Venezuelan Government had already implemented massive job-training programmes through the National Institute for Co-operative Education (INCE), and was expanding other public training schemes on an unprecedented scale.

Senior Asparrua said that the sector was contributing by training a larger share of employees and apprentices in a variety of skills.

He also predicted that the Government-owned Venezuelan Investment Fund, revealed that the institution was reviewing its investment policy, because of lower returns on short-term investments. The fund, set up in 1973 to channel off part of Venezuela's new petroleum income, has assets of \$6.5bn.

The cross-border flow of national currencies, although reaching unprecedented dimensions, should not be a cause for alarm, said Mr. E. Y. Whittle, deputy chief executive of Lloyds Bank International.

"I believe that there is no need to be alarmed by the magnitude of the present figures, provided we take care to relate the size of each risk, on both sides of the balance sheet, to the institutions involved in handling it," he said.

In regard to the use of Euro-market funds, questionable propositions were bound to appear and errors of judgment to occur "quite apart from the political advisability or morality of lending into this or that country."

The major impulse in medium-term arrangements, he said, began five years ago, "so we may well be in for one or two unpleasantnesses. But, due to the nature of much of the lending, the balance sheet results, although they may be uncomfortable enough, will not be disastrous."

Mr. Robin Pringle, editor of the Banker, said that over the longer term—the next ten years or so—the prospects for the world economy have, almost if ever better than they are today.

**The First Viking Commodity Trusts**

Commodity OFFER 39.1 Trust BID 37.1 YIELD 10.4%

Double OFFER 104.0 Option Trust BID 99.0 YIELD 4.1%

Commodity & General Management Co Ltd  
3 St George's Street  
Douglas Isle of Man  
Tel: 0624 4992

**Liggett's \$30m. provision**

NEW YORK, Oct. 7

LIGGETT, the tobacco and write-down of assets at the company's pet foods operation, Perk Foods. It will amount to \$3.33 million in 1976. Liggett reported total earnings of \$4.23 a share, a 25 per cent increase on the \$3.42 a share reported in the third quarter of the year.

The charge arises from a write-down of assets at the company's pet foods operation, Perk Foods. It will amount to \$3.33 million in 1976. Liggett reported total earnings of \$4.23 a share, a 25 per cent increase on the \$3.42 a share reported in the third quarter of the year.

The charge arises from a write-down of assets at the company's pet foods operation, Perk Foods. It will amount to \$3.33 million in 1976. Liggett reported total earnings of \$4.23 a share, a 25 per cent increase on the \$3.42 a share reported in the third quarter of the year.

## Infusions

International financial institutions and private lenders will provide Latin America with increased capital infusions, with suppliers' credits and private bank loans playing a crucial role in medium- and long-term development, said Senior Quijano.

Projected rates of increase in capital requirements for the region, however, "moderate" in comparison with expansion of external capital supplies during the past five years.

"Latin America's ability to service such increased indebtedness is predicted in strengthening its creditworthiness through intensified export promotion and pursuit of appropriate economic and financial policies," said Senior Quijano.

"Latin America still has only a small share of foreign markets, and actually decreased its share of exports in the past year. In spite of these efforts, there are a large deficit in human resources was expected, part of which would be filled through selective immigration. The Minister emphasised Venezuela's need to use foreign expertise in a development of its human resources pool."

Dr. Hector Hurtado, president of the Venezuelan Investment Fund, said that the institution was reviewing its investment policy, because of lower returns on short-term investments. The fund, set up in 1973 to channel off part of Venezuela's new petroleum income, has assets of \$6.5bn.

## Students

At the same time, the Government was funding studies for thousands of Venezuelan students in foreign universities and technical schools under the Ayacucho foreign scholarship programme.

Senior Quijano said that the Government was expected to contribute further to the region's potential dynamic growth over the next decade.

Another speaker at the conference was Senior Edgar Leal, a development of its human resources pool.

Dr. Hector Hurtado, president of the Venezuelan Investment Fund, said that the institution was reviewing its investment policy, because of lower returns on short-term investments. The fund, set up in 1973 to channel off part of Venezuela's new petroleum income, has assets of \$6.5bn.

## COMMODITIES/Review of the week U.S. stockpile policy move

BY OUR COMMODITIES STAFF

NEWS THAT an announcement on U.S. stockpile policy was imminent brought a rally in copper and rubber markets yesterday, and falls in silver and tin.

It was rumoured that the statement by the General Services Administration would indicate that the Carter administration intended to follow the basic policy formulated by the Ford administration—that is to sell stockpile commodities considered to be in surplus, such as tin and silver, and rebuild others such as copper, natural rubber, and nickel.

However, London market dealers pointed out that any change in U.S. stockpile policy would take a long time to put into practice, with the need to obtain Congressional approval first. As a result, it was generally certain that there will be no releases of surplus tin, for example, this year.

The shortage of nearby tin supplies, against continued strong demand, forced London and Penang prices to record heights this week. Standard grade cash tin reached \$5,900 a tonne, before falling back yesterday to \$5,840, still \$2.5 up on the week.

In contrast zinc values dipped to the lowest levels for four years, following further price cuts by U.S. and Canadian producers that might force a reduction in the European producer price from its present level of \$700 a tonne.

A rise in copper and lead futures position on the London

terminal market gained \$1 to \$2,188.5 a tonne, down \$2.5 on the week.

Cocoa prices had been boosted virtually unchanged yesterday sharply on Monday, when the March price reached \$2,263 a tonne, by the continuing tight supply situation resulting from shipment delays from West Africa. But the mood of the market gradually became more bearish as the week went on.

This change in trend was encouraged by a forecast by Helot Trading Company that world cocoa production in 1977-78 would reach 1.45m. tonnes compared with recent market forecasts of a 1.35m. tonnes crop.

The company attributed the higher figure to improved output prospects in Nigeria, the Ivory Coast and Brazil. The company also commented that the market seemed unduly preoccupied with the tight supply situation to the exclusion of other, more bearish factors.

Cocoa prices fell back sharply. The January position reached its lowest level for over a year on totalled \$5,119 short tons, 25 weeks before ending the week at \$1,950 down at \$1,713.5 a tonne.

Dealers saw the initial fall as evidence of a "tired market" with selling meetings a complete lack of physical interest. But reports of Central American sales, a Brazilian sale to Algeria and the resignation of Camillo Calzadon, president of the Brazilian Coffee Institute, added fuel to the decline, though the first half of the year. The March futures position on the London

## MARKET REPORTS

BASE METALS			
COPPER	Recovered after a hesitant morning on the London Metal Exchange, but ended the day on a high note, up 0.5 to 237.50.	237.50	+0.5
ZINC	Up 0.5 to 110.00.	110.00	+0.5
LEAD	Up 0.5 to 110.00.	110.00	+0.5
TIN	Standard grade cash tin reached \$5,900 a tonne, before falling back yesterday to \$5,840, still \$2.5 up on the week.	5840	+2.5
COFFEE			
Robusta coffee	Prices opened 25 higher, reported Drexel Burnham Lambert, and prices traded in a narrow range throughout until dealer buying resumed. The afternoon session produced little activity in front of the launch in New York but profits were made on Thursday's sale with March showing the only loss.	112.50	+0.5
SUGAR			
LONDON DAILY PRICE—Raw sugar	81.00 (1000) 81.00 (1000) 81.00 (1000) 81.00 (1000)	81.00	-1.0
WHEAT			
Wheat	Prices were steady, with a slight rise in the afternoon.	110.00	+0.5
GRAINS			
LONDON FUTURES (GAFTA)—Market	opened 25-30 points lower with good buying interest in the afternoon.	110.00	+0.5
SILVER			
Silver	was fixed 0.20 on the London market.	110.00	+0.5

**WEEKLY PRICE CHANGES**

Commodity	1977		1977	
	High	Low	High	Low
Wheat	110.00	109.50	110.00	109.50
Copper	237.50	237.00	237.50	237.00
Zinc	110.00	109.50	110.00	109.50
Lead	110.00	109.50	110.00	109.50
Tin	5840	5840	5840	5840
Cocoa	2263	2263	2263	2263
Coffee	112.50	112.50	112.50	112.50
Sugar	81.00	81.00	81.00	81.00
Wheat	110.00	110.00	110.00	110.00
Copper	237.50	237.50	237.50	237.50
Zinc	110.00	110.00	110.00	110.00
Lead	110.00	110.00	110.00	110.00
Tin	5840	5840	5840	5840
Cocoa	2263	2263	2263	2263
Coffee	112.50	112.50	112.50	112.50
Sugar	81.00	81.00	81.00	81.00

**U.S. Markets**

NEW YORK, Oct. 6

Cocoa—Ghana and Bahia spots 6.50 (1000) 6.50 (1000) 6.50 (1000) 6.50 (1000)

Wheat—Chicago 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Copper—London 237.50 (1000) 237.50 (1000) 237.50 (1000) 237.50 (1000)

Zinc—London 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Lead—London 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Tin—London 5840 (1000) 5840 (1000) 5840 (1000) 5840 (1000)

Cocoa—London 2263 (1000) 2263 (1000) 2263 (1000) 2263 (1000)

Coffee—London 112.50 (1000) 112.50 (1000) 112.50 (1000) 112.50 (1000)

Sugar—London 81.00 (1000) 81.00 (1000) 81.00 (1000) 81.00 (1000)

Wheat—Chicago 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Copper—London 237.50 (1000) 237.50 (1000) 237.50 (1000) 237.50 (1000)

Zinc—London 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Lead—London 110.00 (1000) 110.00 (1000) 110.00 (1000) 110.00 (1000)

Tin—London 5840 (1000) 5840 (1000) 5840 (1000) 5840 (1000)

Cocoa—London 2263 (1000) 2263 (1000) 2263 (1000) 2263 (1000)

Coffee—London 112.50 (1000) 112.50 (1000) 112.50 (1000) 112.50 (1000)

Sugar—London 81.00 (1000) 81.00 (1000) 81.00 (1000) 81.00 (1000)











STOCK EXCHANGE REPORT

Profit-taking leaves British Funds with losses to £1 Equity leaders neglected again and index down 1.5 at 517.2

Account Dealing Dates
Option
\*First Declara- Last Account
Dealings Date Dealings Date
Sep. 19 Sep. 29 Sep. 30 Oct. 11

Stock markets yesterday were again dominated by activity in British Funds which were lower across the board in a largely technical reaction. Sentiment was not helped by the Prime Minister's admission that the Government could not prevent big employers implementing pay settlements above the 10 per cent norm, but early downward pressure on quotations was eased chiefly by selling of the partly-paid Treasury 12 per cent, 1985 ahead of next Tuesday's call of £684 per cent.

Bankers case
Investment currency rates maintained this week's firm trend although business yesterday was much reduced on recent levels. After fluctuating modestly either side of the 10 per cent mark, the pound advanced to 111.10 in first-time dealings before settling at 111.00, or £11 in £10 paid form. Other Corporations were erratic.

Dividend and profits forecast
accompanying the proposed rights offer. Elsewhere, Budget hopes provided a spur for Thomas, 10 higher at 428p, and Plico ordinary, 5 up at 90p.

Rate to 3 1/2 per cent, and indications from the money market, of this trend continuing, buyers were none too enthusiastic. Consequently, late quotations were only just above the lowest, and showing a fall to a penny. The shorts presented a steeper trend before the unexpected announcement of an issue of £900m. Exchequer 3 per cent, 1981, stock, but when dealers resumed following the usual recess to assess the issue, selected sharply to come into the market with the new stock, Treasury 3 per cent, 1982, was marked down 2 1/2 to 90 1/2 and Treasury 3 1/2 per cent, 1979/81, lost 3 to 93 1/2.

Newman Inds. good
Newman Industries featured Electricals with a jump of 13 to 71p in response to the higher

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

debt and profits forecast accompanying the proposed rights offer. Elsewhere, Budget hopes provided a spur for Thomas, 10 higher at 428p, and Plico ordinary, 5 up at 90p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

The Engineering sector, contained little of note. GKN gave up 3 to 227 1/2p, while falls of 4 were marked against J. Brown, 235p, and Tube Investments, 382p. Elsewhere, Richards (Leicester) improved 3 to 55p in response to the increased interim dividend and profits, but Lake and Elliot ended 3 lower at 30p on the lower annual figures. News of the sale of its computer software subsidiary, Systems Programming, failed to help Simon Engineering.

dividend and profits forecast accompanying the proposed rights offer. Elsewhere, Budget hopes provided a spur for Thomas, 10 higher at 428p, and Plico ordinary, 5 up at 90p.

Several noteworthy movements occurred in Stocks, but the leaders were excepted. Despite a reported bid denial, Status Discount moved up 12 more to a fresh peak for the year of 115p, a restricted 100 share offering on Thursday's results. Jewellery issues were again favoured. Ratners rising 6

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

to 80p and H. Samuel A 4 to 235p. Austin Reed A improved 4 to 91p following the half-yearly statement, while Wearwell gained 1 to 17 1/2p on the reduced annual loss and encouraging statement on current trading. Lower half-yearly profits, however, left Bourne and Hollingsworth 5 down at 85p.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Sec., First Annuity, Industrial Ordinary, Gold Mines, Ord. Div. Yield, etc.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY. Includes sub-sections for 1977 and Since Completion.

RISES AND FALLS
Table with columns for Yesterday, On the Week, and various market categories like British Foods, Cotton, etc.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for various stocks in 1977, including company names and prices.

ACTIVE STOCKS
Table listing active stocks with columns for Stock, Denomina., No., Closing price, Change, 1977 high, 1977 low.

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (c) and reproduced to day in Stock Exchange dealings.

ON THE WEEK
Table listing stock performance over the week with columns for Stock, Denomina., No., Closing price, Change, 1977 high, 1977 low.

BASE LENDING RATES
Table listing base lending rates for various banks and financial institutions.

OPTIONS TRADED
Table listing options traded with columns for Deal, Last, Declara., Last, Settlement, etc.

RECENT ISSUES
Table listing recent issues with columns for Issue, Amount, Date, etc.

EQUITIES
Table listing equities with columns for Issue, Amount, Date, etc.

FIXED INTEREST STOCKS
Table listing fixed interest stocks with columns for Issue, Amount, Date, etc.

"RIGHTS" OFFERS
Table listing rights offers with columns for Issue, Amount, Date, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS and SUB-SECTIONS
Table listing equity groups and sub-sections with columns for Index No., Day's Change, etc.

FIXED INTEREST YIELDS
Table listing fixed interest yields with columns for Br. Govt. A. Gross Red., Fr. Oct., etc.

Handwritten signature or mark at the bottom of the page.



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Abbey Unit Tr. Mgrs. Ltd., Brown Shipley & Co. Ltd., and others with their respective performance metrics.

Table of Offshore and Overseas Funds listing international investment vehicles like Arbuthnot Securities (C.I.) Limited, Australian Selection Fund, and others.

I.G. Index Limited 01-351-3466. Three months copper 704-711. 1. Tax free trading on commodity futures. 2. The commodity futures market for the smaller investor.

Advertisement for Lawson High Yield Fund, featuring a large '100%' graphic and text describing the fund's performance and investment strategy.

Table of Unit Trust Managers listing various fund managers and their associated trusts, including details on assets and performance.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various financial products and services offered by different companies.

Handwritten note in Arabic script: 'كلانا اننا' (Both of us).

NOTES section containing additional information and disclaimers regarding the financial products listed.



# FT SHARE INFORMATION SERVICE

**Oldham for industrial development**  
Phone Shaw 44411

## BRITISH FUNDS

**"Shorts" (Lives up to Five Years)**

High	Low	Stock	Price	Div	Yld	Red
99.1	98.9	Treasury 3 1/2%	100.00	3.50	3.50	100
99.2	99.0	Treasury 4%	100.00	4.00	4.00	100
99.3	99.1	Treasury 4 1/2%	100.00	4.50	4.50	100
99.4	99.2	Treasury 5%	100.00	5.00	5.00	100
99.5	99.3	Treasury 5 1/2%	100.00	5.50	5.50	100
99.6	99.4	Treasury 6%	100.00	6.00	6.00	100
99.7	99.5	Treasury 6 1/2%	100.00	6.50	6.50	100
99.8	99.6	Treasury 7%	100.00	7.00	7.00	100
99.9	99.7	Treasury 7 1/2%	100.00	7.50	7.50	100
100.0	99.8	Treasury 8%	100.00	8.00	8.00	100

## Over Fifteen Years

High	Low	Stock	Price	Div	Yld	Red
110.0	109.8	Treasury 3 1/2%	100.00	3.50	3.50	100
110.1	109.9	Treasury 4%	100.00	4.00	4.00	100
110.2	110.0	Treasury 4 1/2%	100.00	4.50	4.50	100
110.3	110.1	Treasury 5%	100.00	5.00	5.00	100
110.4	110.2	Treasury 5 1/2%	100.00	5.50	5.50	100
110.5	110.3	Treasury 6%	100.00	6.00	6.00	100
110.6	110.4	Treasury 6 1/2%	100.00	6.50	6.50	100
110.7	110.5	Treasury 7%	100.00	7.00	7.00	100
110.8	110.6	Treasury 7 1/2%	100.00	7.50	7.50	100
110.9	110.7	Treasury 8%	100.00	8.00	8.00	100

## Updated

High	Low	Stock	Price	Div	Yld	Red
111.0	110.8	Treasury 3 1/2%	100.00	3.50	3.50	100
111.1	110.9	Treasury 4%	100.00	4.00	4.00	100
111.2	111.0	Treasury 4 1/2%	100.00	4.50	4.50	100
111.3	111.1	Treasury 5%	100.00	5.00	5.00	100
111.4	111.2	Treasury 5 1/2%	100.00	5.50	5.50	100
111.5	111.3	Treasury 6%	100.00	6.00	6.00	100
111.6	111.4	Treasury 6 1/2%	100.00	6.50	6.50	100
111.7	111.5	Treasury 7%	100.00	7.00	7.00	100
111.8	111.6	Treasury 7 1/2%	100.00	7.50	7.50	100
111.9	111.7	Treasury 8%	100.00	8.00	8.00	100

## INTERNATIONAL BANK

High	Low	Stock	Price	Div	Yld	Red
112.0	111.8	Treasury 3 1/2%	100.00	3.50	3.50	100
112.1	111.9	Treasury 4%	100.00	4.00	4.00	100
112.2	112.0	Treasury 4 1/2%	100.00	4.50	4.50	100
112.3	112.1	Treasury 5%	100.00	5.00	5.00	100
112.4	112.2	Treasury 5 1/2%	100.00	5.50	5.50	100
112.5	112.3	Treasury 6%	100.00	6.00	6.00	100
112.6	112.4	Treasury 6 1/2%	100.00	6.50	6.50	100
112.7	112.5	Treasury 7%	100.00	7.00	7.00	100
112.8	112.6	Treasury 7 1/2%	100.00	7.50	7.50	100
112.9	112.7	Treasury 8%	100.00	8.00	8.00	100

## CORPORATION LOANS

High	Low	Stock	Price	Div	Yld	Red
113.0	112.8	Treasury 3 1/2%	100.00	3.50	3.50	100
113.1	112.9	Treasury 4%	100.00	4.00	4.00	100
113.2	113.0	Treasury 4 1/2%	100.00	4.50	4.50	100
113.3	113.1	Treasury 5%	100.00	5.00	5.00	100
113.4	113.2	Treasury 5 1/2%	100.00	5.50	5.50	100
113.5	113.3	Treasury 6%	100.00	6.00	6.00	100
113.6	113.4	Treasury 6 1/2%	100.00	6.50	6.50	100
113.7	113.5	Treasury 7%	100.00	7.00	7.00	100
113.8	113.6	Treasury 7 1/2%	100.00	7.50	7.50	100
113.9	113.7	Treasury 8%	100.00	8.00	8.00	100

## COMMONWEALTH & AFRICAN LOANS

High	Low	Stock	Price	Div	Yld	Red
114.0	113.8	Treasury 3 1/2%	100.00	3.50	3.50	100
114.1	113.9	Treasury 4%	100.00	4.00	4.00	100
114.2	114.0	Treasury 4 1/2%	100.00	4.50	4.50	100
114.3	114.1	Treasury 5%	100.00	5.00	5.00	100
114.4	114.2	Treasury 5 1/2%	100.00	5.50	5.50	100
114.5	114.3	Treasury 6%	100.00	6.00	6.00	100
114.6	114.4	Treasury 6 1/2%	100.00	6.50	6.50	100
114.7	114.5	Treasury 7%	100.00	7.00	7.00	100
114.8	114.6	Treasury 7 1/2%	100.00	7.50	7.50	100
114.9	114.7	Treasury 8%	100.00	8.00	8.00	100

## LOANS (Miscel.)

High	Low	Stock	Price	Div	Yld	Red
115.0	114.8	Treasury 3 1/2%	100.00	3.50	3.50	100
115.1	114.9	Treasury 4%	100.00	4.00	4.00	100
115.2	115.0	Treasury 4 1/2%	100.00	4.50	4.50	100
115.3	115.1	Treasury 5%	100.00	5.00	5.00	100
115.4	115.2	Treasury 5 1/2%	100.00	5.50	5.50	100
115.5	115.3	Treasury 6%	100.00	6.00	6.00	100
115.6	115.4	Treasury 6 1/2%	100.00	6.50	6.50	100
115.7	115.5	Treasury 7%	100.00	7.00	7.00	100
115.8	115.6	Treasury 7 1/2%	100.00	7.50	7.50	100
115.9	115.7	Treasury 8%	100.00	8.00	8.00	100

## FOREIGN BONDS & RAILS

High	Low	Stock	Price	Div	Yld	Red
116.0	115.8	Treasury 3 1/2%	100.00	3.50	3.50	100
116.1	115.9	Treasury 4%	100.00	4.00	4.00	100
116.2	116.0	Treasury 4 1/2%	100.00	4.50	4.50	100
116.3	116.1	Treasury 5%	100.00	5.00	5.00	100
116.4	116.2	Treasury 5 1/2%	100.00	5.50	5.50	100
116.5	116.3	Treasury 6%	100.00	6.00	6.00	100
116.6	116.4	Treasury 6 1/2%	100.00	6.50	6.50	100
116.7	116.5	Treasury 7%	100.00	7.00	7.00	100
116.8	116.6	Treasury 7 1/2%	100.00	7.50	7.50	100
116.9	116.7	Treasury 8%	100.00	8.00	8.00	100

## AMERICANS

High	Low	Stock	Price	Div	Yld	Red
117.0	116.8	Treasury 3 1/2%	100.00	3.50	3.50	100
117.1	116.9	Treasury 4%	100.00	4.00	4.00	100
117.2	117.0	Treasury 4 1/2%	100.00	4.50	4.50	100
117.3	117.1	Treasury 5%	100.00	5.00	5.00	100
117.4	117.2	Treasury 5 1/2%	100.00	5.50	5.50	100
117.5	117.3	Treasury 6%	100.00	6.00	6.00	100
117.6	117.4	Treasury 6 1/2%	100.00	6.50	6.50	100
117.7	117.5	Treasury 7%	100.00	7.00	7.00	100
117.8	117.6	Treasury 7 1/2%	100.00	7.50	7.50	100
117.9	117.7	Treasury 8%	100.00	8.00	8.00	100

## AMERICANS—Continued

High	Low	Stock	Price	Div	Yld	Red
118.0	117.8	Treasury 3 1/2%	100.00	3.50	3.50	100
118.1	117.9	Treasury 4%	100.00	4.00	4.00	100
118.2	118.0	Treasury 4 1/2%	100.00	4.50	4.50	100
118.3	118.1	Treasury 5%	100.00	5.00	5.00	100
118.4	118.2	Treasury 5 1/2%	100.00	5.50	5.50	100
118.5	118.3	Treasury 6%	100.00	6.00	6.00	100
118.6	118.4	Treasury 6 1/2%	100.00	6.50	6.50	100
118.7	118.5	Treasury 7%	100.00	7.00	7.00	100
118.8	118.6	Treasury 7 1/2%	100.00	7.50	7.50	100
118.9	118.7	Treasury 8%	100.00	8.00	8.00	100

## CANADIANS

High	Low	Stock	Price	Div	Yld	Red
119.0	118.8	Treasury 3 1/2%	100.00	3.50	3.50	100
119.1	118.9	Treasury 4%	100.00	4.00	4.00	100
119.2	119.0	Treasury 4 1/2%	100.00	4.50	4.50	100
119.3	119.1	Treasury 5%	100.00	5.00	5.00	100
119.4	119.2	Treasury 5 1/2%	100.00	5.50	5.50	100
119.5	119.3	Treasury 6%	100.00	6.00	6.00	100
119.6	119.4	Treasury 6 1/2%	100.00	6.50	6.50	100
119.7	119.5	Treasury 7%	100.00	7.00	7.00	100
119.8	119.6	Treasury 7 1/2%	100.00	7.50	7.50	100
119.9	119.7	Treasury 8%	100.00	8.00	8.00	100

## BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Div	Yld	Red
120.0	119.8	Treasury 3 1/2%	100.00	3.50	3.50	100
120.1	119.9	Treasury 4%	100.00	4.00	4.00	100
120.2	120.0	Treasury 4 1/2%	100.00	4.50	4.50	100
120.3	120.1	Treasury 5%	100.00	5.00	5.00	100
120.4	120.2	Treasury 5 1/2%	100.00	5.50	5.50	100
120.5	120.3	Treasury 6%	100.00	6.00	6.00	100
120.6	120.4	Treasury 6 1/2%	100.00	6.50	6.50	100
120.7	120.5	Treasury 7%	100.00	7.00	7.00	100
120.8	120.6	Treasury 7 1/2%	100.00	7.50	7.50	100
120.9	120.7	Treasury 8%	100.00	8.00	8.00	100

## CHEMICALS, PLASTICS

High	Low	Stock	Price	Div	Yld	Red
121.0	120.8	Treasury 3 1/2%	100.00	3.50	3.50	100
121.1	120.9	Treasury 4%	100.00	4.00	4.00	100
121.2	121.0	Treasury 4 1/2%	100.00	4.50	4.50	100
121.3	121.1	Treasury 5%	100.00	5.00	5.00	100
121.4	121.2	Treasury 5 1/2%	100.00	5.50	5.50	100
121.5	121.3	Treasury 6%	100.00	6.00	6.00	100
121.6	121.4	Treasury 6 1/2%	100.00	6.50	6.50	100
121.7	121.5	Treasury 7%	100.00	7.00	7.00	100
121.8	121.6	Treasury 7 1/2%	100.00	7.50	7.50	100
121.9	121.7	Treasury 8%	100.00	8.00	8.00	100

## BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Div	Yld	Red
122.0	121.8	Treasury 3 1/2%	100.00	3.50	3.50	100
122.1	121.9	Treasury 4%	100.00	4.00	4.00	100
122.2	122.0	Treasury 4 1/2%	100.00	4.50	4.50	100
122.3	122.1	Treasury 5%	100.00	5.00	5.00	100
122.4	122.2	Treasury 5 1/2%	100.00	5.50	5.50	100
122.5	122.3	Treasury 6%	100.00	6.00	6.00	100
122.6	122.4	Treasury 6 1/2%	100.00	6.50	6.50	100
122.7	122.5	Treasury 7%	100.00	7.00	7.00	100
122.8	1					









MAN OF THE WEEK

When the boat comes in to order

BY COLIN JONES

TO-DAY MICHAEL CASEY, the 49-year-old chief executive and deputy chairman of British Shipbuilders, is on his way to Rio de Janeiro to meet the world's leading shipowners...



Michael Casey Imperative to find more business

This schedule is not untypical of how this energetic and convivial former civil servant has spent his time since he was suddenly pitched into the job of running Britain's latest State industry last February...

Cortes to act on amnesty for Basque militants

BY DIANA SMITH

A BILL to provide total amnesty for Basque militants, and also free most other prisoners held in Spain for politically motivated crimes, was agreed early this morning by a joint Cortes committee...

amnesty for the region is that it will permit the return of nearly 2,000 Basque political exiles and their relatives...

An important clause of the Bill covers specifically the failure to comply with conditions imposed by the authorities for continuation of sentences...

sacked in the 1960s, when the first massive wave of wage claims and strikes hit Spain...

It is expected, however, that those responsible for the murder of Left-wing lawyers in Madrid last January (several people have been arrested in connection with this crime) and members

of the group known as GRAPO, involved in two kidnappings last spring, will not be amnestied. The measure has been strongly resisted by business management because of the financial and administrative burdens it will involve...

MADRID, Oct. 7.

Panel says Ultra deals breached takeover code

BY NICHOLAS COLCHESTER

MR. P. D. BROWN, a director of Portfolio Management, investment managers, deserved "severe censure" for insider trading in the shares of Ultra Electronics Holdings, the Panel on Takeovers and Mergers said yesterday...

Mr. Brown appealed to the panel's appeal committee against the findings and their publication. In deciding to publish, the appeal committee noted yesterday Mr. Brown's assertion that the net gain had already been paid to his solicitors for transfer to a charity...

Rowe Rudd. The panel claims that, knowing about Rascal's impending bid, he bought 10,000 shares in his own account. This was, and still is, disputed by Mr. Brown. The panel reached its conclusion after hearing evidence about telephone conversations that took place on the morning of February 17 between Rowe Rudd, Mr. Brown and other major shareholders in Ultra...

EEC talks on textile imports may be delayed

By Rhys David, Textiles Correspondent

EEC TALKS with leading textile supplying countries—due to start in Brussels next week—may be delayed as a result of strong objections by Britain over the Community's failure to prepare its position adequately. Britain, with some support from France, has been expressing concern at the slow progress made by EEC member countries in adding detail to the Community mandate drawn up last month for its negotiators...

Ranks Hovis extends pasta interests into the Mid-West

BY CHRISTINE MOIR

ONE OF the top three U.K. flour pasta companies purchased by and bread groups, Ranks Hovis Douglas, which has world-wide sales of nearly £1m, a Macaroni, which is roughly similar in size to R and F. Gioia's sales are predominantly in the north-east, so the new acquisition spreads RHM's pasta sales into the densely populated Mid-Western belt...

butter manufacturing company in New York State which produced £3m. profits in 1975-76. The purchase of R and F takes its expansion plans a stage further. RHM said yesterday that its North American operations had been performing "terribly well".

The market was one in which RHM had considerable experience and expertise. The purchase of R and F is to be financed from the proceeds of RHM's successful \$40m. Euro-dollar issue in August.

Clay Cross vote splits Labour

FROM RICHARD EVANS, LOBBY EDITOR, IN BRIGHTON

LABOUR'S National Executive Committee, after successfully keeping the rank and file quiet for most of this week's party conference, was embarrassed yesterday by a reversal on the sensitive issue of the Clay Cross constituency...

party and embarrassed ministers for years, is now back on the agenda, with the party in the country again in conflict with the Government. Mrs. Lena Jager, MP for Holburn and St. Pancras S, and the NEC member with the thickest task of speaking from the platform, urged conference to reject the resolution, on the grounds that it was impracticable to legislate specially for one small group of councillors, who had broken the law.

Ministers left Brighton interly relieved that it had been such a quiet conference with virtually none of the blood-letting that was so damaging to party morale a year ago. Over-banging all the debates was the realisation that a general election could take place within the next year and that party splits would hinder Labour's electoral prospects.

Weather

Table with columns for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS, listing weather conditions and temperatures for various locations.

Table with columns for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS, listing weather conditions and temperatures for various locations.

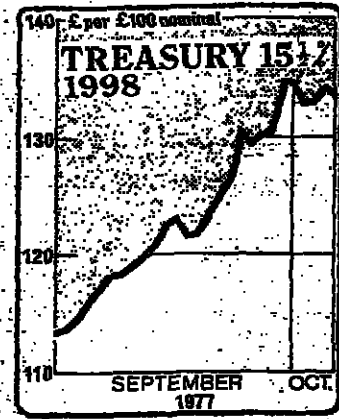
Table with columns for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS, listing weather conditions and temperatures for various locations.

THE LEX COLUMN

Market shrugs off the MLR news

A year to the day after Minimum Lending Rate was hoisted to 15 per cent, it fell by half a point to 5 1/2 per cent, yesterday. All eyes are now on the clearing banks which could well make a base rate move on Monday...

Index fell 1.5 to 517.2



For the rest, however, it has been a dull week in the stock market. Both the equity and gilt-edged indices have slipped back. The equity market has become quieter and is still affected by the generally uninspiring trend of company profits as with EMI on Thursday...

portfolio but also of the insurance companies and the trust management contracts.

Accounts

Private investors may still form the largest single category of shareholder in British companies but most of them cannot make head or tail of a set of company accounts. Most private shareholders only read the chairman's report thoroughly, less than 40 per cent inspect the profit and loss account, and under 30 per cent bother to turn over to the balance sheet, most of the terms in which they cannot understand anyway...

Arab profits

One of the more embarrassing aspects of the recent gilt-edged boom is a great deal of money has been made by foreign speculators. But little specific information is available; although this week Dresdner Bank owned up to being a heavy investor, generally the extent of foreign operations in the U.K. gilt-edged market is a mystery. However, if the Bahrain Monetary Agency — a small Arab Central Bank — is any guide, some foreigners have made a killing. According to a footnote tucked away at the back of its latest annual report, the BMA had nearly a fifth of its total assets invested in the U.K. gilt-edged market at the turn of the year. Since then the market has risen by around a third and, though the BMA took some profits in April, it could well have made more than enough money from its gilt-edged operations over the last nine months to pay for its smart new headquarters curiously being built on the Manama skyline.

Council saves scenic route

PLANS TO straighten the coast road through north Norfolk villages have been abandoned by the county council because it says the bends and twists in the road—which connects the seaside towns of Hunstanton and Cromer—are part of the areas charm. Instead, an inland road will be developed as a fast route between the two towns.

The Why, When, Where and How of Fine Cognac

When Hine?

The Hine family (the name is pronounced to rhyme with the English 'fine') have been making fine Cognacs in Jarnac at the heart of the Charente for six generations. Since then Hine Cognacs have gained a reputation among connoisseurs of fine Cognacs, envied even by other Cognac makers. So when does the connoisseur most appreciate Hine? Traditionally the time when Hine gains its greatest distinction is after dinner. This is particularly true of the finer Hines, like Hine Antique and Hine OV where the delicate blends and subtle bouquets come into their own.

But equally there is a Hine for any occasion. Hine V.S.O.P. on its own or with a mixer has the rarity of flavour some connoisseurs prefer to any other V.S.O.P. Cognacs. Try Hine V.S.O.P. at any time. But only on its own. However good the mixer, there are some things a connoisseur just would not do. So when Hine? Why not now?

Hine The Connoisseurs' Cognac

For an informative leaflet on Cognac, send a postcard to: Dept. FT, 6th Floor, 1 Oxendon Street, London SW1Y 4EG.



Continued from Page 1

Prime rates

The fall in MLR appeared to be acceptable to the Bank of England after a week in which the pound has continued to meet steady demand, partly reflecting the weakness of the dollar. Yesterday, the authorities intervened to hold the pound down in the morning, though it weakened slightly later to end with a fall of nine points at \$1.7688. The trade-weighted per cent index slipped from 62.4 to 62.3. The Bank also announced a new £500m. issue of low-coupon Government stock designed to be attractive to high tax payers and to help reinforce two similar stocks which mature shortly. The stock £500m. of 3 per cent Exchequer stock 1981 at 97 down in the morning, though it weakened slightly later to end and a redemption return of 5.32 \$1.7688. The trade-weighted per cent